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ALBERTA MEETINGS MARKET STUDY:
ASSESSMENT AND POTENTIAL FOR GROWTH

conducted by

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for ALBERTA TOURISM

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EXECUTIVE SUMMARY

Introduction

In 1990, Alberta Tourism commissioned Manecon Partnership, Management and Economic Consultants, Edmonton, to obtain a current picture of the Alberta Meeting Market, to determine growth potential, and to identify business opportunities for Alberta. For the current study, the meetings market includes association meetings, corporate meetings and incentive travel, consumer shows, and trade shows. Each of these segments of the meetings market was addressed through a research program which included reviews of secondary documents, interviews with meetings industry representatives in North America, Europe and the Pacific Rim, and discussion groups in five opportunity markets for Alberta.

The principal study objectives were:

- to assess market composition and size;
- to assess Alberta's share of the market;
- to determine Alberta's competitive positioning;
- to analyze market trends, determining growth potential and opportunities for Alberta resulting from those trends;
- to identify business opportunities;
- to summarize findings; and
- provide recommendations (to be provided under separate cover for exclusive consideration of Alberta Tourism).

Alberta Meetings Industry Profile

The Alberta meetings industry includes many participants involved in attracting business meetings to the province. The nature of Alberta's meetings industry can be characterized by its ability to service meetings of varying sizes from many different origins. Alberta's primary meetings destinations are Edmonton, Calgary and Banff/Lake Louise which, together, are reported in a key industry document "Official Guide to Canada" (Conventions and Meetings Canada, 1989) to possess 82% of total meetings capacity and 76% of delegate accommodation capacity.

Alberta's meetings industry includes Alberta Tourism, municipal tourism bureaus and tourism authorities, convention and conference centre operators, and some hotels. During recent years cooperative marketing efforts have begun to take place including the development of Alberta's Meetings Marketing Team (AMMT) which includes several key industry participants. Further, Alberta Tourism's contract representatives located in Washington D.C., Chicago, New York and Geneva, Switzerland, promote meetings market opportunities in the U.S. and among international associations. Additional marketing and client identification assistance for Alberta's meetings market participants is provided at selected Canadian government diplomatic missions in the U.S. and elsewhere.

Meetings Market Overview

Alberta Tourism's marketing efforts have been focused primarily on the association meetings market. Alberta's main meetings market sales are to Canadian organizations. Estimates of the Canadian market show growth of 63.5% from U.S. sources since 1984. With annual total revenue of more than $175 million, Alberta ranks third or fourth in Canada for attracting meetings business, behind Ontario, British Columbia, and with a comparable volume to Quebec.

The U.S. market is significantly larger, offering much greater market potential for Alberta in the association, corporate and incentive markets. In 1989 projected expenditures on meetings by U.S. corporations and associations totalled US$43.7 billion.

Discussions with Alberta's suppliers and international meeting buyers indicate that Alberta's competitive ability within the meetings market is characterized by strengths which include the quality of facilities, the types of destination, the professional approach to servicing meeting planners, along with human benefits, such as cleanliness, friendliness, safety, and high service standards. Alberta's competitive weaknesses include limited access, perceived high cost, and low awareness.

While Banff/Lake Louise is a world-renowned resort destination and competes with other primary resort destinations, Calgary and Edmonton more effectively compete with second-tier cities in the U.S. such as Denver, Seattle or St. Louis. Changes in the inventory of meetings facilities with new or additional facilities coming on stream in Chicago, Las Vegas, New Orleans and Atlanta will intensify competition. Alberta's new or proposed facility additions will assist Alberta destinations to compete in the market.

Association Meetings Market

Meetings of various types (conventions, seminars, etc.) are a very important component of the functioning of associations. Data from a 1990 survey of American Society of Association Executives revealed that on average 20% of an association's annual income is generated by meetings. In part, this may explain why the average annual number of conventions per Association is expected to increase from 1.3 per year to 1.5 per year, and the average number of seminars will increase from 10.8 (1990) to 12.6 in 1991.

Growth in the U.S. association meetings market has been substantial between 1983 and 1990. According to the American Society of Association Executives, for example, the number of conventions has increased by 41% during that period resulting in a 74% increase in expenditures. The number of delegates attending association conventions and seminars has increased by 40% since 1983.

Among those associations which meet outside of the U.S., Canada ranks second to Europe as a preferred destination. While the cost of travel and accommodation are primary considerations for association executives in selecting meetings sites, other key factors are also important, including the quality of meeting facilities, sleeping rooms and service, and the relative affordability of a destination when all other criteria are considered. Spring (March, April or May), or Fall (September, October or November) are the most preferred times for meetings.

Research conducted in the U.S. shows that Alberta destinations compete directly with Vancouver and Whistler in B.C., Toronto and Ottawa in Ontario, and Montreal and Quebec City in Quebec. Trends emerging in the association meetings market offer potential for Alberta. The increasingly global nature of association membership will widen the range of destinations selected. The trend toward regionalization is expected to reduce the costs incurred for staging meetings and allow for more meetings with very specific agendas. Other trends include the need for multi-purpose meetings facilities, greater emphasis on educational meetings and increasing concern for cost-effectiveness and revenue generation.

Corporate Meetings

The corporate meetings market includes a variety of different meetings types, ranging from local sales meetings to training seminars to annual conventions and international management meetings. It is estimated that the total economic value of U.S. corporate meetings was US$73 billion in 1989. Canada was the second most popular destination after Europe in 1989 for those corporations who held meetings outside of the U.S.

In the corporate meetings market, Alberta destinations compete directly with Canada's primary corporate centres - Vancouver, Toronto and Montreal - as well as resort destinations. Alberta's destinations can expect to continue to compete directly with the major North American cities and resorts, with increasing competition from second-tier cities such as Seattle, Portland, Denver and Dallas. Trends in the corporate meetings market which are expected to influence future competition include globalization of national economies, global corporate structuring, and increased desire for alternative meeting destinations.

Incentive Travel Market

Incentive travel is a management tool used by companies to motivate employees to work more effectively by offering rewards in the form of travel. The value of the global incentive travel market is estimated at US$16.9 billion, with the North American market valued at up to US$8.8 billion.

Throughout the research with incentive planners it was evident that Alberta in general, was perceived to be unexciting. Planners need specific and detailed information on accommodations, amenities, activities, etc. to plan incentive trips. However, Rocky Mountain destinations are perceived to offer potential, provided appropriate promotional effort is undertaken.

Demand tends to be greatest from U.S. and international origins, although Central Canada was also found to be an opportunity for Alberta. Incentive buyers stated a preference to book incentive groups during the shoulder season months, mainly to avoid summer month congestion at resort destinations - a finding of particular relevance to Banff/Lake Louise. Competition from other recognized destinations including Florida, Hawaii, California, the Caribbean, Europe and the Pacific Rim will continue. New destinations such as Halifax, Nova Scotia have also been recognized and the Whistler Resort in British Columbia has a growing profile as a result of extensive promotional efforts.

Trends which are expected to be important to the future incentive travel market include corporate needs for motivational programming, preferences for resort destinations with easy access to a variety of activities, and specialized forms of incentive travel including small groups, individual and tiered incentives.

Consumer and Trade Show Market

A 1988 survey conducted by the Canadian Association of Exposition Managers found that Alberta hosted 12% of all trade or consumer shows held in Canada. Ontario ranked first (24%), Quebec second (19%) and B.C. third (13%). Alberta ranked fourth. Respondents to this survey indicated that total revenues generated by these shows were $58.7 million.

Consumer shows are locally or regionally focused. In Alberta, demand is usually derived from within the province with some out-of-province interest and attendance from Saskatchewan. Reports from Alberta's major consumer show hosts indicate that most shows originate from Ontario or southern B.C. A tourism development role for government with respect to consumer shows is not seen to be essential, particularly since most shows originate in Canada and, in Alberta, most consumer shows attract only local attendees.

By their nature, trade shows offer Alberta an opportunity to be involved in an international marketplace. The key determinant to where a trade show is held is often the state of the regional economy. Attendees are largely drawn from regional or provincial markets although exhibitors can be attracted from different countries. Annual trade shows held only in Canada follow an east-west cycle, whereas those which are held in the U.S. and Canada may also have a north-south cycle.

Summary of Meetings Market Opportunities

The following table presents a summary of opportunities available to Alberta as identified through the research.

Summary of Priority Meetings Market Opportunities

Market Origin	*Meeting Type:* Association	Corporate	Incentive	Consumer/Trade
Alberta	3	2	3	1
Canada	1	2	2	1
U.S.:				
New York	2	1	1	3
Washington D.C.	1	3	3	3
Georgia & South East	3	1	2	3
Chicago	1	1	1	3
Mid-West/Texas	3	2	2	3
Pacific Northwest	2	2	1	3
Los Angeles	3	1	1	3
Europe:				
United Kingdom	1	2	1	3
Germany	1	2	1	3
France	1	2	1	3
Pacific Rim	3	3	1	3

1 = Immediate Priority   2 = Moderate Priority   3 = Low Priority

1.0 INTRODUCTION, BACKGROUND & METHODOLOGY

Introduction

This document reports on research conducted on behalf of Alberta Tourism by Manecon Partnership, Management and Economic Consultants, Edmonton, Alberta to obtain a current picture of the Alberta Meeting Market, to determine growth potential, and to identify business opportunities for Alberta. For the purposes of the current research, the meetings market includes association meetings, corporate meetings and incentive travel, consumer shows and trade shows. The research addressed the meetings market throughout Alberta and included examination of Alberta's opportunities in Alberta, Canada, the U.S., Europe and the Pacific Rim area.

Background

The overall purpose of the analysis is to determine growth potential and to identify opportunities for Alberta to increase market share. The following objectives were established for the research:

- To assess market composition and size;
- To assess Alberta's share of the market;
- To determine Alberta's competitive positioning;
- To analyze market trends, determining growth potential and opportunities for Alberta resulting from those trends;
- To identify business opportunities for Alberta;
- To summarize findings and provide recommendations (to be provided under separate cover for exclusive consideration by Alberta Tourism).

Approach and Methodology

The approach used to conduct the research included the examination of secondary data and a combination of personal and telephone interviews, and discussion groups.

Secondary Data

A wide range of secondary data sources were identified for examination in the research. (A bibliography is attached as Appendix A.) The literature examined in the research included published articles, research documents, and various private data. The intent of the literature review was to identify qualitative and quantitative information which could be used to profile the demand and supply characteristics of the meetings market industry, determine an understanding of the nature of the five meetings market segments (i.e. corporate, association, incentive, trade and consumer shows) and identify emerging trends of significance to the future of the meetings market. The findings from this process are reported in the appropriate sections of this study.

Interviews and Discussion Groups

A contact program was established through detailed secondary research, reviews of directories, contacts with key industry organizations in Canada, the U.S., and internationally, and following recommendations from participants in Alberta's meetings market. The contacts made in the study are listed in Appendix B. The purpose of the contact program was to draw on the experience of acknowledged industry experts or appropriately qualified meeting planners to address issues within the Terms of Reference. In this respect, nearly 300 contacts were made. These contacts included 32 participants in five discussion groups with representatives from the corporate, association, and incentive travel markets, 179 personal contacts, and the remainder telephone contacts.

The telephone interview program included contacts in Alberta, elsewhere in Canada, throughout the United States, in Europe, and in the Pacific Rim. The personal interview program included contacts in the following locations:

- Alberta
  - structured interviews with Alberta's meetings industry players including Alberta Tourism, Calgary Convention and Visitors Bureau, Edmonton Convention and Tourist Authority, major hotels, tour operators, Banff/Lake Louise Convention Consortium, and regional sales offices of international airlines

- Canada
  - Ottawa - interviews were conducted with association executives and government officials
  - Toronto - corporate meeting planners, association executives, competitors

- United States
  - Minneapolis/St. Paul
  - Chicago
  - New York
  - Washington
  - Atlanta
  - Dallas
  - Los Angeles
  - Portland
  - Seattle
  - Interviews in the United States included meetings with meeting planners and association executives, industry magazine publishers, hotels and convention bureaus, airlines, and with Alberta's Meetings Market representatives.

- Europe
  - London, England
  - The Hague and Amsterdam, Netherlands
  - Berlin, Germany
  - Paris, France
  - Contacts included acknowledged industry experts, suppliers, publishers, government officials, airlines, agents, and competitors.

Five discussion groups were held. Groups in Washington, D.C. and in Ottawa, Ont. comprised association executives, and the discussion groups in Toronto, Ont. and Atlanta, GA. included corporate meeting planners; a discussion group with incentive travel representatives was hosted in Los Angeles. These locations were selected since they are representative of current and potential meetings market opportunities for Alberta.

Analysis and Interpretation

Information gathered from the secondary data and the interview program were reviewed to identify trends and key issues that are important in the marketplace. Interview guides were used to structure the interviews. The overall guides are attached as Appendix C. The resulting information was analyzed to identify trends and opportunities for inclusion in the final report.

Limitations

Despite the number and range of sources available, significant limitations exist to the applicability of reported data to Alberta. A recent study of the European incentive travel market, for example, found that the lack of a clear and universally understood market definitions was a primary constraint to quantifying and identifying trends in this market (Wason, 1990, p.65). Poor response rates, inconsistent or non-existent data recording systems of industry players, and timing of the research programs, have all been identified as serious constraints affecting the development of reasonably accurate descriptions of the meetings market. A conference of leading industry experts from several European and British organizations directly involved in the meetings market was held recently to assess the problem with market statistics. The conference concluded without the selection of a standard approach to recording data.

A further limitation for Canada and Alberta is the different focus of research conducted by various organizations involved in the meetings market. American-based organizations, such as industry magazines (e.g. "Successful Meetings") and the American Society of Association Executives (ASAE), focus on trends and demand characteristics of the

American meetings industry. While this data is undeniably valuable to Canadian sellers in providing an understanding of the American market, no clear indication is provided of the propensity of U.S. associations or corporations to meet in Canada. Where Canada is identified as a meetings destination, the source of this demand is obscured by aggregations of survey data.

The most serious limitations of available secondary data is inconsistency across data sets. Data gathered annually or at regular intervals by organizations such as ASAE, provide reasonable indications of changes in demand characteristics for consistent samples. However, data gathered by different organizations may focus on different issues, use different samples and sub-samples of samples, use alternative definitions (e.g. they may address association conventions with trade shows as a an association meeting, or the trade show component may be separated and treated differently), and provide disproportionate samples of industry sectors. As a result, attempts to compare data across these studies may yield contradictory findings resulting from the use of alternative analytical procedures.

However, there are several organizations which gather data at regular intervals or conduct research to gain market knowledge. These sources include MMIS (BV) - Multinational Meeting Information Services, a conference database established by the International Congress and Convention Association at its Amsterdam, Holland head office; the Union des Associations Internationale, located in Brussels, Belgium which gathers association statistics regarding worldwide associations; the American Society of Association Executives of Washington, D.C. which conducts regular research regarding U.S. associations; and Successful Meetings Magazine of New York which most recently surveyed the meetings marketplace in 1990. As noted above, the data available from one source to another are not always directly comparable and are often more suitable in assessing specific issues on a "snapshot" basis.

In general, the market appears difficult to quantify. Forecasts of future market characteristics have proved to be unreliable due to data collection difficulties and the volatility of the meetings market associated with economic, political, and internal factors.

Even established databases appear unable to provide strong and consistently presented information.

The program of interviews with contacts on the supply side (Alberta) and demand side (other Canada, U.S. and international) was also subject to certain constraints. The primary limitation within both groups was the timing of the study itself. The research program was implemented during October, 1990 owing to project timelines. October is a particularly busy month for meetings industry people for a number of reasons. In Alberta, industry people are involved with the conclusion of their busy (summer) period and are reviewing and preparing plans and budgets for the future. For meeting planners, October is the time that they begin planning events and activities for the next season and much of their time is spent at various trade shows across North America.

Report Structure

This report is organized into the following major sections:

1.0 Introduction

2.0 Alberta Meetings Industry Profile

3.0 Meetings Market Overview

4.0 Association Meetings Market

5.0 Corporate Meetings Market

6.0 Incentive Travel Market

7.0 Consumer and Trade Shows

8.0 Summary and Overall Conclusions

A glossary of terms used in the report follows Section 8.0. Recommendations are included under separate cover for exclusive consideration of Alberta Tourism.

Acknowledgements

The consultants would like to acknowledge the assistance and cooperation of the Alberta Tourism and Alberta's meetings industry participants in this research. The research was conducted under a restrictive time frame at a time of the year that is particularly busy in the meetings market. Government officials and industry participants in Alberta and at the contract representatives offices in Europe and the U.S. provided outstanding cooperation and assistance throughout the research.

2.0 ALBERTA MEETINGS INDUSTRY PROFILE

The Alberta meetings industry includes a great many players each with a role to play in attracting business meetings to the Province. The principal players are:

- Alberta Tourism;
- Edmonton Convention and Tourism Authority (ECTA);
- Calgary Convention and Visitors Bureau (CCVB);
- Edmonton and Calgary Convention Centres;
- Banff/Lake Louise Convention Consortium;
- Major hotel chains (e.g. C.P., Westin, Hilton, York-Hanover);
- Tour operators;
- Destination management companies and independent meetings planners;
- Major international airlines;
- Tourist attractions.

Representatives from each of these groups were contacted and their input has allowed the following industry profile to be developed.

Industry Overview

The nature of Alberta's meetings industry can be characterized by its ability to service meetings of varying sizes from many different origins. Edmonton, Calgary and Banff/Lake Louise are primary destinations and comprise the largest component of the industry, each possessing accommodations and meetings facilities large enough to cater to single meetings of up to 5,000 participants, drawn from all geographic markets.

Other destinations in Alberta also service the meetings market. In general, these destinations may be considered to be secondary serving local, regional and, in some cases, national meetings, having the capacity to accommodate up to 1,000 participants.

The capacity of the two types of destinations (i.e. primary and secondary) which Alberta has to offer determines the segments of the meetings market which can be served. All market segments - corporate, association, incentive, consumer shows and trade shows - are served to varying degrees by Edmonton, Calgary and Banff/Lake Louise. By contrast, destinations in the remainder of Alberta mainly serve the trade and consumer show segments with some small corporate or regional association meetings.

Capacity and Volume

Table 2.1 summarizes the distribution of meeting and accommodation space available in Alberta. The data reported in Table 2.1 focus exclusively on those properties which serve the meetings market, separating out other properties not identified as having involvement in this market. The data are derived from the Official Guide to Canada, a conventional source used by meetings planners and, therefore, reflect the perspective provided to planners. Consequently, these are selective data and represent only a portion of all facilities identified in the Alberta Accommodation Guide, 1990. The data also exclude new convention and meetings facility developments planned at Banff, Lake Louise, Calgary, Red Deer, and Edmonton.

Table 2.1

Estimate of Alberta Meetings Capacity

	Total Meetings Capacity[1]		Accommodation Capacity[2]	
	Seating	%	Rooms	%
Edmonton	32,320	41	5,160	28
Calgary	29,470	37	5,914	32
Banff/Lake Louise	3,480	4	3,005	16
Other Alberta	14,330	18	4,478	24
Total Alberta	79,600	100%	18,557	100%

[1] Based on total available banquet seating capacity.
[2] Total hotel rooms available.

Source: Conventions and Meetings Canada, Official Guide to Canada, 1989.

Through discussions with Alberta's meetings industry, it was estimated that the majority of the demand is drawn from the province and the rest of Canada. Meetings originating in the U.S. are estimated to account for 10% of total volume, with the Pacific Rim and Europe together accounting for a further 3% of the total. However, while these proportions generally apply for Alberta as a whole, Banff/Lake Louise were considered by meetings hosts in this part of Alberta, to experience somewhat higher proportions of U.S. and other international business; business originating in the U.S. represents 20% of all meetings business hosted at Banff/Lake Louise, with Pacific and European business representing 10% of the total in this region. Whether these proportions are accurate, or just the perceptions of the industry people who provided an opinion, is unknown due mainly to the lack of an appropriate data recording system.

Industry representatives also indicated that association and corporate meetings constituted the largest proportion of meetings business. By contrast, consumer and trade shows were held less frequently and accounted for a smaller proportion. The Edmonton Convention Centre, for example, reports that in 1989, 40 association conventions were hosted, 648 corporate meetings (554 of which were local), 6 trade shows and 11 shows and events open to the public (consumer and other). Incentive travel is becoming increasingly important for some destinations.

In this study, data concerning the meetings market were gathered through a brief mailed questionnaire sent to Alberta meetings industry properties asking for statistical information from their 1989 records (Appendix D). Most, particularly the hoteliers, responded that they did not record data of that kind and were, therefore, unable to provide the requested information. In all, 23 of the 88 industry respondents contacted provided estimates of their meetings volume, providing some basic non-statistical insight into market characteristics in Alberta.

Table 2.2

Estimated 1989 Meetings Market Summary [1]

	Corporate Meetings	Association Meetings	Trade Shows	Consumer Shows	Total
Number of Estimated Events	1,600	3,800	60	100	5,560
Participants					
Attendance	255,000	609,000	142,000	928,000	1,934,000
Origin					
Host City	68%	17%	17%	92%	44%
Elsewhere, Alberta	21	52	22	2	33
Canada West *	3	13	41	5	10
Canada East **	2	5	20	1	4
Other ***	6	13	0	0	9
Total Expenditures ($ millions)	$ 55.0	$210.0	$ 46.0	$ 81.0	$392.0

CAUTION: **This table is constructed from general reports, recorded data, and "best guess" information provided by a variety of sources.**

[1] Data Sources include information provided by a small number of suppliers and secondary sources.

Data was evaluated through interviews in Alberta's meetings industry.

* Canada West: B.C., Man., Sask., Yukon, NWT
** Canada East: Atlantic Provinces, Ont., Que.
*** Other: U.S. & other international

The results of the mailed questionnaire, and information gathered from secondary sources were evaluated with selected meetings suppliers in Alberta including convention centres, hoteliers, and trade show operators to develop estimates to be used in compiling an estimate for 1989. Thus the 1989 estimates were developed from a combination of data including:

- the few quantified estimates provided in the 1990 research by Alberta's meetings market suppliers;
- trend information identified from secondary sources;
- the qualitative opinions of Alberta's meetings industry suppliers.

Table 2.2 presents the estimates of the size and composition of the 1989 meetings market based on information provided by Alberta meetings industry participants. Estimates for incentive travel and small meetings volume cannot be provided as data for them are not recorded by most suppliers.

Meetings industry partners who provided the statistics used develop Table 2.2, were asked to characterize the sources of their meetings business. Table 2.3 focuses on the sources of the corporate and association meetings identified in Table 2.2.

Table 2.3

Estimated Source of Corporate and Association Meetings Business, 1989

	Corporate Meetings %	Association Meetings %
Host city	59.0	22.0
Other Alberta	25.0	7.0
Canada West	2.0	17.0
Canada East	5.0	24.0
Elsewhere	9.0	30.0
	100.0	100.0

Source: Alberta suppliers

Table 2.3 shows that most corporate meetings are locally generated, but that 30% of association meetings originate outside Canada and a further 24% originate in eastern Canada. Comparing these data to those reported for attendance in Table 2.2 shows that while 59% of corporate meetings originate locally 68% of total attendance is made up of local people. By contrast, among association meetings, local people account for just 17% of total attendance, but local events constitute 22% of all association meetings.

Other Meetings Business in Alberta

Banff/Lake Louise properties are the primary beneficiaries from incentive travel, with an apparently significant proportion of their total meetings business drawn from the U.S. and internationally. Precise quantification of this market, however, is very difficult since most properties do not keep records on incentive groups.

Incentive Travel

Estimates of incentive travel volume coming to Alberta in 1989, based on "best-guess" data supplied by properties which were contacted and general assumptions of the average size of incentive groups reported in secondary research, suggest that the incentive market generated approximately $37.0 million. This estimate is based on the approximately 500 incentive travel events hosted by Alberta properties, assumes that each event included an average of 100 employee participants and their spouses, and further acknowledges that the average cost per employee participant is between US$1,200 and US$1,500, depending on the origin of the group.

Small Meetings

Data for meetings of under 10 room-nights is also not recorded by Alberta suppliers. Small meetings by their very nature do not require large scale conference facilities, often needing only a single hotel suite. Further, since these types of meetings tend to be very short in duration (perhaps a maximum of 2 days) they can be accommodated at locations that are convenient to attendees, such as airport hotels if participants are arriving by air, or at suburban locations in major cities. Again, "best-guess" information provided by industry representatives contacted in the research for this study suggested that there may have been more than 7,500 small meetings occurring in Alberta in 1989, with a quarter of a million attendees.

Industry Roles

Alberta meetings industry includes Alberta Tourism, municipal tourism bureaus and tourism authorities, convention and conference centre operators, and selected hotels. During recent years cooperative marketing efforts have begun to take place. The development of the

Alberta Meetings Marketing Team (AMMT) is an example of this development, and includes Alberta Tourism and selected municipal, convention centre, and hotel interests. Further, the establishment of these types of consortia to market the province as a meetings destination is an important approach to effective marketing. Previous marketing initiatives tended to be undertaken on a more independent basis, with each Alberta destination selling its own product with limited input from other partners. This has resulted in marketing and promotional activities which can best be characterized as being disjoint and lacking focus. However, some market penetration has been achieved in selected markets (Washington DC, Chicago, New York, the international association market, and a small number of other U.S. cities), although little or no presence has been established in some other geographic markets where meetings market potential appears to exist (eg. California). The business that has been generated, particularly from the U.S. and abroad, is testament to the hard work of industry sales teams. The shift to a team or consortium approach, however, will assist in strengthening Alberta's presence in existing markets, and offer opportunities to develop new markets.

Alberta Tourism Role and Activities

Within the Marketing Division of Alberta Tourism are seven branches, each with a mandate to market and support the province in distinct market segments. The business meetings market is the responsibility of the Meetings/International Liaison Branch. Its role is to provide market intelligence and lead information about U.S. and international clients to the public and private sector. The branch has two main programs:

1. **Association Marketing**, concentrating on increasing the number of meetings and conventions held in Alberta;

2. **Corporate/Incentive Marketing**, which is a relatively new initiative designed to increase corporate and incentive travel to Alberta;

The specialized nature of the meetings product has prompted the Meetings Branch to establish an Alberta presence in the three key U.S. business meetings markets of Washington D.C., Chicago, and New York, as well as in Geneva, Switzerland. The province's presence is through contracted meetings specialists who liaise with the client market, develop client leads, and assist Alberta's meetings destinations to sell their product.

Washington, D.C.

Alberta Tourism has been represented in Washington, D.C. since 1987 by the Meeting Link. As the location for almost half of all America's national associations, Washington, D.C. represents a major external market for association meetings and conventions. The very competitive nature of this market is demonstrated by the fact that over 50 convention and visitor bureaus from across the U.S. are actively involved in selling their destinations.

Chicago

The Chicago market is also significant for the association market segment with the second largest concentration of association headquarters after Washington, D.C. The Chicago and Illinois market also includes a significant number of corporate head offices and incentive travel companies. As a result, Chicago is a highly competitive market which, since the establishment of an Alberta presence through Travel Marketing Associates in 1988, is beginning to recognize the opportunities offered by the province. In addition to metropolitan Chicago and Illinois, the Chicago office also serves the Minneapolis market, focusing on the concentration of incentive companies based in that city.

New York

New York is the most recent addition to the establishment of an Alberta office in the U.S. meetings market. Established at the end of 1988, the Meetings Alberta office in New York primarily targets the association meetings market, with other activities directed towards the very large volume of corporate and incentive market opportunities. The incentive market is considered to be potentially significant for future business for Alberta.

Geneva, Switzerland

Through the activities of Interconference a contract representative based in Geneva, Alberta Tourism has actively established contact with European-based international associations. Since 1987, Interconference has identified contacts for Alberta in this competitive market.

Municipal Jurisdictions

Several Alberta municipal jurisdictions including Edmonton (represented by the Edmonton Convention and Tourist Authority - ECTA/Edmonton Tourism), Calgary (the Calgary Convention and Visitors Bureau - CCVB), Red Deer (the Red Deer Tourist and

Convention Bureau - RDTCB), Lethbridge (the Lethbridge Convention Bureau - LCB), Banff/Lake Louise (the Banff/Lake Louise Chamber of Commerce/Banff-Lake Louise Conference Consortium - BLLCC) are active participants in meetings marketing. The primary focus of these communities is to lead marketing thrusts that support the direct sales activities of the community's tourism industry in leisure and business travel. Differently organized bodies have been established by the various jurisdictions for their tourism promotion activities, but in each case funding is provided jointly by municipal support and the tourism industry suppliers. In each of the municipalities noted above the tourism body (hereafter referred to as "Bureau") has identified the meetings market as a specific market target within the tourism market generally, and has implemented plans and committed budgets to access the market opportunity.

The role of the bureaus include:

- market and sales development activities in existing markets, through an umbrella marketing plan;
- market evaluation in new, specific markets for their jurisdiction;
- providing assistance, coordination, and support to the jurisdiction's meetings market supplier;
- accessing Alberta Tourism, Tourism Canada, and External Affairs resources to supplement marketing activities.

The bureaus focus on the development and execution of marketing strategies that will result in sales opportunities for tourism businesses in their jurisdiction and, thus, will result in economic benefits for the jurisdictions. With limited budgets, return on investment is a key element of the development of these marketing plans. Investment returns are difficult to quantify as promotional efforts in the meetings market often involve timeframes of up to three years between initial contact and closing the sale.

While the strategies of the bureaus are targeted on benefits to their own region, their activities are often conducted within the umbrella of Alberta Tourism's marketing programs. The Bureaus, for example, will participate in Alberta promotions led by the province in market areas of interest to them, and will incorporate the resources of Alberta Tourism's contract field representatives (i.e. in Chicago, Washington, New York and Geneva) into a marketing team. However, the bureaus will also approach markets of specific interest directly, sometimes involving Alberta Tourism's resources in a supporting rather than lead role.

In new markets the Bureaus expect to have the support of Alberta Tourism available. If the market is one in which opportunities appear to exist for a bureau, and there is no significant provincial meetings marketing presence and no major direct participation by other Alberta meetings industry players, the Bureaus may look for assistance from Alberta Tourism's market development activities (e.g. contract representatives).

Alternatively, where a Bureau has independently initiated a promotional thrust into a particular new market, the Bureau would expect to benefit from supporting marketing efforts on request or by arrangement provided by Alberta Tourism, which are directly specific to the Bureau's efforts and preclude competition from other Alberta players.

Facilities and Suppliers

Alberta is promoted by a wide range of meeting facilities including small hotels, conference centres, international hotel chains, and major convention facilities. It is these facility operators that finally close sales. The sales efforts of the facilities and suppliers are sometimes contained within an umbrella approach from their bureau. The larger facilities and suppliers (for example, the Edmonton and Calgary Convention Centres, Edmonton Northlands, Calgary Stampede Park, and Canadian Pacific Hotels) have marketing plans and highly experienced sales staff and are aggressive in their sales efforts in their target markets. Target markets include Alberta, other provinces, the U.S. and international buyers. Alberta Tourism and the bureaus are often involved in joint promotional or marketing efforts with the facilities.

Further, the efforts of Calgary Convention and Visitors Bureau (CCVB), Edmonton Convention and Tourist Authority (ECTA) and the Banff/Lake Louise Conference Consortium show that a cooperative approach can pay dividends. In the past, the reluctance of private and public sector participants to work together has hindered efforts to sell Alberta's product. This is changing and a commitment to a more united approach has been recognized, resulting in the presentation of a product which is multi-dimensional and appealing.

A Team Approach

A closer relationship between certain Bureaus, facilities, and suppliers and Alberta Tourism was initiated in 1985 and termed the Alberta Meetings Marketing Team. Alberta Tourism's marketing representatives in Chicago, New York and Washington, D.C. and Geneva have expended much effort in identifying potential opportunities from which Alberta might benefit. In general, their efforts have earned them respect from Alberta's industry and within the marketplace, and this is helping to enhance the province's image. Further progress towards the establishment of a consistent team approach is required for further market development.

Tourism Canada

Tourism Canada (part of Industry, Science, and Technology, Canada) is responsible to plan meetings market strategies for Canada, for execution by External Affairs Canada at selected Embassies, High Commissions, Consulates-General, and Consulates. External Affairs commercial officers work to initiate leads and, wherever possible, provide support to marketing initiatives undertaken by Canadian destinations.

Tourism Canada is developing a three-year strategic plan to direct its role in the meetings market. The agency notes several key factors in the marketplace that have resulted in this plan.

1. Tourism Canada advises that Business Travel (including meetings, conventions, and incentive travel) constituted 18% of the travel account Foreign Receipt Earnings in 1989, increased from 14% in 1980.

2. Business travel shows a compound growth rate of 5% per annum since 1987.

3. Major investments totalling about $1 billion have been made in recent years in Canadian meetings industry infrastructure, including $98 million in federal contributions to public sector developments.

In this new strategy, Tourism Canada views its role as providing funding to support and provide the groundwork which leads to contacts for Canada's meetings suppliers. To improve consistency in policy applications in this role, it is important that Alberta assess in detail how to increase its opportunity within the new strategy by insisting on close communication and cooperative planning.

Tourism Canada proposes to name its Meetings Conventions and Incentive Travel (M.C. & I.T.) program Business Travel. Within the Business Travel program, U.S. Associations, Corporate Meetings, Incentive Travel, and International Congresses will receive separate focus with separate strategies developed for each of these four market segments. The strategies are to include action plans developed through a program of market research.

In summary, Tourism Canada's strategic approach to each of the meetings market segments is:

- Associations
  - continuation of lead identification process
  - participation in ASAE and similar industry groups
- Corporate
  - seen to be regional in nature
  - conduct primary market research to address buying and selection criteria
- Incentive
  - developed from primary research (see "Corporate")
  - focus specifically on 5 major selected Incentive Travel Houses
  - U.S. market focus
- International
  - European opportunities recognized
  - secondary focus after U.S. markets
  - not considered a priority in short term

Acknowledging the difficulty in market focusing, Tourism Canada has engaged the agency Coffin, Laurent to conduct buyer interviews and to develop promotional plans. The principle behind this multi-year strategy is development of a Partnership Marketing Fund which will identify and package opportunities and sell "shares" in the promotion.

Tourism Canada Client Database

Tourism Canada has developed a database for use in client identification. The database is claimed to hold 50,000 qualified client leads for Canada, an unknown portion of which may also be qualified for Alberta. It appears that the system is still under development, and is not in regular use at several consulates where it could be most valuable. The method of data gathering varies from consulate to consulate and outputs do not appear to be analyzed to any significant extent.

Accessing the database at the Atlanta, GA Consulate, for example, revealed the data reported in Table 2.4 showing Alberta's demand in the profile for the Atlanta area. It must be noted that these data for Alberta generally reflect interest in Calgary, which has placed emphasis on promoting Atlanta-based business. The Atlanta focus group expressed interest in Calgary, a direct result of Calgary's investment in this marketplace. This is an example of the opportunity for Alberta Tourism to support the efforts of Calgary, when requested by that jurisdiction. However, promotions for Alberta in the Atlanta marketplace would be viewed as competitive by Calgary and would confuse the marketplace. Table 2.3 shows the interest in key Canadian provinces by organizations surveyed by the Canadian Consulate, distributed by the type of meeting.

Table 2.4

Interest in Canadian Destinations
(# of Organizations Expressing Interest
Through a 1990 Mail Survey)

Province	Assn	Corp	IT	Total Specified
Alberta destinations (Calgary)	30	10	5	45
Ontario destinations	105	13	7	125
Quebec destinations	97	56	41	194
B.C. destinations	76	29	16	121
Total	308	108	69	485

The type of analysis presented by Table 2.4 shows the opportunity for Alberta to conduct similar analyses in other areas. In this case, the data show that approximately 9% of the planners included (that is 30 of the association planners, 10 of the corporate meetings planners, and 5 of the incentive meeting planners) who expressed interest in Canada were interested in Alberta (Calgary). The analysis showed further, that 53% of all association planners, 84% of corporate meeting planners, and 60% of incentive travel planners surveyed are interested in Canada. These data are associated only with the database developed by the Atlanta consulate.

Detailed research of this kind, using this or similar database sources, can result in prioritized and qualified leads. The research described above and Table 2.4 reveals market emphasis, competitive issues, and the propensity for identifying viable leads among all contacts, by market segment. The system used in this research generates lead sheets for each selected opportunity and is a valuable source of information for Alberta's meetings marketers.

Constraints and Barriers Experienced by Alberta's Meetings Industry

A variety of constraints and barriers limit the competitive advantage of Alberta's meetings industry. Primarily, these constraints and barriers are directly related to market awareness of Alberta. Awareness is limited due to promotional and sales approaches which are inconsistent, limited and have been reported by meeting planners as confusing.

Tourism Canada considers that Canada's awareness in the meetings market is not a problem. Awareness is assessed to be high enough for Canadian meetings industry suppliers to close sales. This may be true given the exposure which Toronto, Montreal and Vancouver have in the meetings market. The risk for Alberta is that Tourism Canada's strategy may not assist the Province in gaining the exposure in areas where other Canadian destinations are already known, placing the province in a somewhat disadvantaged position.

From the research conducted in the U.S. and in Canada, meetings planners and decision-makers feel that they lack the necessary tools to help them understand Alberta and what is has to offer, and they are unaware of where to find information. Planners need to know how their clients' needs can be met in Alberta through knowledge of Alberta-based support agencies, such as destination management companies as well as through detail in meetings facilities and accommodations. Taken together these factors contribute to a good deal of frustration among those planners who have an interest in organizing meetings in Alberta, resulting in a loss of potential business for the province.

Other barriers faced by Alberta concern air access and air lift, cost and weather. Many of these are largely perceptual, particularly with respect to cost and weather. Even with the addition of the Federal Goods and Services Tax (GST), it is possible to develop product packages which are appealing and price competitive. The challenge for Alberta's industry is to counter these perceptions by turning negatives into positives through increasing the province's profile - for example, perception of sub-zero temperatures should be countered by the unique experiences and activities that can be enjoyed under such conditions; and despite the GST Alberta remains relatively cheaper than other Canadian destinations because there is no Provincial Sales Tax.

To overcome these barriers, industry marketers must establish long-term relationships in markets (geographic and otherwise) where real potential exists. Part of this requires close cooperation with Alberta Tourism's marketing representatives, and the Federal Commercial officers responsible for meetings and incentive travel. These are extremely valuable resources, particularly with their knowledge of the markets within their jurisdiction, and they are in-place to assist destinations in bringing meetings to Canada.

3.0 MEETINGS MARKET OVERVIEW

Introduction

Alberta's main meetings market sales are to Canadian organizations. However, the U.S. market is significantly larger and is a major market area for Alberta. Whereas little research has attempted to quantify the Canadian market, several recent studies have provided measures of the U.S. market. While the research bases differ from study to study, several of the characteristics reported provide indications of the size and nature of the markets.

Four key research documents describe various aspects of the U.S. market:

- The *Meetings Market '90* conducted for the magazine Meetings and Conventions (the publication shown in other research to have the highest readership among meeting planners);

- *Association Meeting Trends, 1990*, conducted for the American Society of Association Executives;

- *Metropoll III* (1989), the third in a series of subscription studies conducted since 1983 by Economic Research Associates; and

- *State of the Industry*, 1990, conducted for Successful Meetings Magazine.

Many other researched and editorial documents were reviewed in the course of this research. These four publications appear to offer the best documented data regarding elements of the U.S. association, corporate, and incentive meetings markets.

Market Size

The *Meetings Market '90* study projects 1989 expenditures in the U.S. corporate, association, and conventions market at US$43.7 billion and suggests nearly 1.1 million meetings of these kinds took place. The study shows that corporate meetings, which constituted 81% of the number of meetings studied, accounted for 25% of expenditures, association meetings other than conventions (18% of the number of meetings) accounted for 37% of expenditures, and the 1% of meetings that were association conventions accounted for 38% of expenditures.

From 1987 to 1989 total expenditures on meetings by U.S. corporations increased by 37%, on Association meetings excluding conventions by 48%, and on Association conventions by 28% *(Meetings Market '90)*. The number of corporate meetings increased by 7% during the same period, association meetings (excluding conventions), increased by 3% and association conventions remained relatively static.

Overall, attendance at these meetings increased by 26%. Growth in attendance at corporate meetings increased by 23%, at association meetings, excluding conventions, by 33%, and at association conventions 27%.

These statistics indicate the very substantial size of the U.S. market and its impressive growth since 1987. Respondents on the supply side of the meetings market expect the 1990 recession to impact on the market for up to two years resulting in reversal of these trends in the short term. However, growth characteristics are expected to return by 1992 or 1993. The Canadian Tourism Research Institute, for example, expects business travel benefits generally for Canada and Alberta to experience slight growth by 1992 *(CTRI Alberta Tourism Outlook Conference - Calgary, 1990)*.

Market Share

The volume of business meetings held in Canada is estimated to have experienced a 63.5% growth rate since 1984 from U.S. sources *("Conventions in Canada", Canadian Airlines In-Flight Magazine, August, 1990)*. Total revenues from meetings in Canada by U.S. associations alone are estimated at $640M annually.

Alberta ranks third or fourth in Canada for attracting meetings business. Ontario attracts the largest share, followed by British Columbia and Quebec. Alberta's position, however, is somewhat distorted by the fact that the top 3 provinces include Canada's 3 largest cities (Vancouver, Toronto, and Montreal) and that Quebec offers a somewhat different product due to its francophone heritage.

Of 99 North American (including Hawaii) destinations included in a recent survey of meetings planners Calgary was ranked 47th with 11% of the respondents indicating that they had visited or were aware of the destination *(Metropoll III)*. By comparison, Toronto ranked 24th (44% awareness), Montreal ranked 32nd (33% awareness), Vancouver 34th (27%), Quebec 42nd (17), and Halifax, the only other Canadian city in the analysis, ranked 48th.

However, Calgary's ranking increased to #38 when respondents were asked if they had arranged a meeting of 300 or more participants at the destinations during the past three years and increased again to 35th position (37th among associations and 31st among corporations) when respondents reported the destination for planned meetings of a similar size during the next three years.

Montreal, Toronto and Vancouver have traditionally been the primary city destinations for the meetings market. They each possess the necessary physical infrastructure to compete against major U.S. cities, such as New York, Chicago, Los Angeles and San Francisco. By contrast, Edmonton and Calgary, while possessing modern facilities, are unable to accommodate the size of meetings possible in these primary North American cities. As a result, Edmonton and Calgary can be classified as second tier meetings destinations which are able to attract and accommodate a certain portion of the market available to Canada's primary destinations. Consequently, comparisons of market share between Canadian destinations can be somewhat misleading.

Rather than comparing Alberta's market share to those larger, first tier destinations, it may be more appropriate to compare the province's abilities against those of other second tier cities, that is those which can accommodate 5,000 to 10,000 delegates and have 5,000 rooms within a 5 minute walk of a Convention Centre. In Canada, Winnipeg is the only city which could be considered second tier, but is has been outperformed by Edmonton and Calgary. Consequently, real competition for Edmonton and Calgary is from second tier cities in the U.S. such as Seattle, Portland, Dallas, St. Louis and Minneapolis-St. Paul, which may be targeting the same meetings markets as Alberta.

Precise determinations of real market share are very difficult to make in part because of differences in how various meetings types are defined, and in part due to lack of record keeping (for example, association business can be relatively easily tracked, but the differences between corporate and incentive travel meetings may be difficult to differentiate.)

Notwithstanding these definitional and data collection difficulties, there is little doubt that the meetings market is growing and that meetings planners are constantly seeking new or alternative destinations. This offers significant potential to increase the volume of meetings business brought to Alberta and, while possibly contributing to a change in market share relative to the competition, increasing the economic contribution made by meetings in Alberta.

Alberta's Competitive Position

The competitive position of Alberta in the meetings marketplace must be considered from both geographic and product or capacity perspectives. The research showed that there are many similarities between Alberta's competitiveness in the meetings market segments.

From a geographic perspective, Alberta destinations are compared with those in other Canadian provinces, U.S. states, and other destinations. The product or capacity perspective evaluates the opportunities and limitations that will govern Alberta's success in the marketplace due to the size, capacity, site characteristics, access, and availability of Alberta's meetings infrastructure. Competitive issues are different between market segments and between geographic market areas.

Geographic Issues

In most markets it appears that Alberta destinations are considered to be "second tier"; that is, they do not have the draw of major cities such as Paris, London, New York, or San Francisco, for example, but are attractive to those planning meetings that do not require the amenities and attributes of a major international destination. This is the advantage for Alberta destinations. With general trends towards regional, less expensive, and smaller meetings, Alberta destinations can compete more effectively with similarly sized or slightly larger destinations. Thus Alberta destinations compete in the U.S. market with destinations such as Portland, Oregon; Seattle, Washington; Denver, Colorado; as well as the first tier Canadian destinations of Vancouver, B.C.; Toronto, Ontario; and Montreal, Quebec, and with a variety of resort destinations in Canada and the U.S.

Alberta's competitive abilities, however, are constrained by limited awareness of the province's product among certain geographic and meetings market segments. The research shows that market awareness of Alberta is low by comparison with that of its competitors in the Eastern Canadian, U.S., European and Pacific Rim marketplaces. In a practical sense, this means that Alberta's meetings market promoters must work much harder to secure meetings commitments than most of their competitors do.

Competitor Strategies

The success of the above-noted Canadian destinations is largely attributable to their profile in the U.S.: Montreal hosted the 1976 Summer Olympic Games, and has a francophone culture; Vancouver hosted Expo '86; and Toronto is Canada's largest business and metropolitan centre. Notwithstanding these attributes, however, is the importance of developing a profile through the establishment of a continued presence in the marketplace. This is particularly true of Vancouver and, more recently, Whistler, which are heavily promoted and widely known.

Competition among cities who consider themselves meetings market destinations is fierce. With over half of all U.S. national associations located in Washington, D.C., marketing efforts have to be clear, concise and distinct. Alberta's presence in Washington, D.C. has resulted in significantly increased exposure for Alberta destinations. It must be noted that there are over 50 cities or destinations represented directly in Washington to attract this lucrative market. The number of directly represented destinations has increased dramatically during the late 1980's as the potential in this market has become recognized by more and more destinations. Among Canadian destinations active in Washington D.C., Ottawa and Vancouver have full time representatives, Toronto has a part time representative, Quebec City is represented from its New York office, and Montreal has a telephone contact system. Alberta is perceived to be a very strong marketing participant in Washington and is noted for its innovative, non-traditional marketing approaches and "hunger" for business. This reflects on Alberta Tourism's foresight in establishing a presence in the market and on Alberta's industry participants who are active in the Washington market.

British Columbia, as the major direct competitor for Alberta, has advantages based on perception and on strategy. The Washington focus group conducted for this study revealed that Vancouver is perceived to be easier to get to than Banff, and that Banff is too expensive. The group suggested, though, that Alberta has excellent natural attributes (for example, the Rocky Mountains, skiing, and a "Wild West" theme) that can be used to increase its attractiveness.

In terms of profile and presence, Vancouver benefited significantly from Expo '86 and subsequent "Super Natural B.C." promotions. Expo '86 established an initial awareness among a broader spectrum of the market and the "Super Natural" promotions helped to tell the market about the other attractions B.C. and Vancouver had to offer. Further, the establishment of close working relationships between some of Vancouver's destination management companies (DMCs), Air Canada and Canadian Airlines, as well as the University of British Columbia helped to create a consistent presence in the marketplace.

Besides Vancouver and other Canadian cities, Alberta is also competing with individual properties. The relative success of B.C. in attracting association meetings has been aided by the development of the Whistler resort and its aggressive promotion by C.P. Hotels. It was very apparent from all interviews conducted in the U.S., for example, that Whistler was well known and popular. Indeed, for associations based in Washington State and Oregon, Whistler was included among their regularly selected destinations. In addition, Harrison Hot Springs, for example, has developed a "modern healthy" meetings image, including health spa, calisthenics, "good" eating, and no smoking. This image is attractive for smaller meetings and retreats.

The very aggressive approach adopted by B.C. and its industry partners has paid dividends. The consortium approach appears to have been very effective in developing market share, particularly with the involvement of Canada's major air carriers. Although the B.C. industry still works at attracting more new business while maintaining its current market share, the tasks of entering new markets and broadening the base of opportunities in existing markets have been accomplished through very intensive efforts. These have resulted in a very clear understanding within the meetings market of B.C.'s products and how they meet the needs created by market demand. Indeed, from the research it was determined that Vancouver's profile is high enough that they can afford not to make personal presentations as part of bids to attract association meetings, for example. By contrast, Alberta must have a much higher personal presence to have a chance at making the final list of alternative destinations from which buyers make their final selection.

The marketing strategies of B.C. are consistent with strategies employed by Alberta's other Canadian competitors, most notably Ontario. Meetings marketing efforts are mostly concentrated through city convention and visitors bureaus, or through specific suppliers such as the convention and conference centres, resorts, or hotels. In the Government of Ontario only one full time employee is directly engaged in conference, meetings, and incentive travel (although an additional employee is expected to be added shortly) and in the Government of British Columbia, two people are responsible for the province's meetings marketing activities.

These governments support the activities of the bureaus and other destination promoters in a similar way. They attend key U.S. meetings market shows, such as Incentive Travel and Meetings Executive (IT&ME), Canadian Society of Association Executives (CSAE), American Society of Association Executives (ASAE), and shows in U.S. regions appropriate to the province's market (for example, B.C. attends such shows in Los Angeles, Seattle, the

Midwest, etc.) to support the Bureaus and facilities also exhibiting there. Further, these provinces work to develop marketing tools such as lure brochures.

Funding support is provided to the bureaus in different ways to assist in cost sharing. This is provided directly by the meetings market program in Ontario, but from public sources outside the meetings marketing program in the B.C. government.

These strategies are suitable for these provinces due to their very high level of awareness in the meetings market. Contacts among meeting planners and association executives and in the Alberta bureaus, suggest there remains a strong need for the participation of Alberta Tourism to strengthen the development of awareness and to examine and lead the penetration of new market areas. Direct action at the buyer level through research and planning, and strong promotional effort is considered to be very necessary to permit Alberta destinations to compete effectively in this lucrative marketplace.

The types of difficulties faced by Alberta in the meetings market and which are described above, have been mitigated by the province's competitors through direct and aggressive marketing and promotional efforts. Vancouver, for example, sends gifts of varying descriptions to planners to keep them aware of the city; the Netherlands has provided per diem spending money for individuals in groups selecting that country; Ireland sent a portable personal cassette player to planners followed by a monthly tape which included a well-known entertainer extolling the virtues of Ireland; and other such efforts can be identified. All of this greatly contributes to market presence and without it, Alberta fails to capitalize on the potential which exists.

Product-Oriented Strengths and Weaknesses

Table 3.1 provides a list of the strengths and weaknesses associated with Alberta's competitive position in the meetings market, as acknowledged by Alberta's suppliers and non-Alberta buyers.

Table 3.1
Alberta's Strengths & Weaknesses in the Meetings Market
(not prioritized)

Strengths	Weaknesses
Quality facilities	Facility capacities
Hospitality	Air service
"People" services	Air lift capacity
Clean, safe environment	Market awareness and information
Natural attractions	Distance from markets
Resort destinations	Limited presence in markets of potential
Cosmopolitan urban destinations	Team approach in initial stages
Respected presence in select major markets	Industry support
Initiating team approach	Limited resources
Recognized need for clear market information	Limited market intelligence
No provincial sales tax	Cost of travel
Host to international events	Perceived bad weather
Competitive ability	Canada Customs reputation
Canada Customs strategies	

Source: Personal interviews with Alberta suppliers and international buyers.

Although the lists reported in Table 3.1 are not comprehensive and might be expanded on both sides, they do offer a picture of how the province is viewed by the meetings industry. The items listed also illustrate aspects of the Alberta situation which may be developed to the province's benefit.

The meetings market is strongly driven by product-oriented issues. Alberta destinations are generally able to compete well with their second tier competitors. Notable benefits for Alberta include the attractiveness of the Rocky Mountains, western hospitality, the Calgary Stampede, the Edmonton Convention Centre, and the absence of a provincial sales tax. Concerns voiced in the marketplace include limitations of access by air, lack of capacity and cost of rooms at Banff in the summer, and the size of the convention centre in Calgary.

The procedures required by Canada Customs in the past have been a constraint on U.S. originating meetings coming to Canada. Canadian meetings destinations are still affected by perceptions that customs constraints will hamper the effectiveness of the meeting. However, Revenue Canada, Customs and Excise has made significant improvements to their procedures that will assist meeting planners - the challenge now is to communicate that message to U.S. meeting planners. In fact, the perception of difficult customs procedures becomes, itself, a form of competitive disadvantage for Canadian destinations as a whole.

Almost without exception those interviewed in the research quoted the high cost, lack of available seats, and long journey, as barriers to Alberta's growth in the meetings market. While each of these limitations must be viewed as a serious constraint, it is important to acknowledge that other, competing destinations have similar issues to address. For example, Portland and Seattle have constraints associated with the number of bedrooms available. The market is large enough for benefits to accrue to Alberta from increased market share regardless of these constraints.

Inventory Expansions

Changes to the inventory of meetings facilities will increase the intensity of competition for meetings market business. New or additional facilities are coming on stream in Chicago, Las Vegas, New Orleans and Denver. Atlanta can also be expected to develop its facilities in preparation for the 1996 Summer Olympic Games. In Portland, a new convention centre has recently been opened which has the capacity to make that city an attractive meetings destination.

This general expansion of the supply side of the industry will inevitably affect Alberta's competitive position. However, Alberta will also participate in the expansion with new convention or conference facilities built or planned for Calgary, Banff, and Lake Louise, with expansion under consideration for the Edmonton Convention Centre.

Alberta's competitiveness will be significantly dependent on the suitability of the new facilities to meet the demands of the meeting planners. This means providing a wide range of facilities that can accommodate a wide range of meetings, and provide many smaller rooms for breakouts or small displays.

However, as facility inventories expand, a concern which is also growing throughout the meetings industry is the shortage of qualified personnel who can provide the quality service demanded by meetings groups. This issue was particularly significant in Portland and Seattle, as well as Minneapolis and Dallas. It is anticipated that programs such as "Alberta Best", Alberta Tourism's new hospitality employee training program, and the employee certification program of the Alberta Tourism Education Council can, therefore, directly assist Alberta's industry in effectively competing with these U.S. cities.

Perceived Constraints and Barriers

Perceived constraints or limitations are as serious as the real limitations noted above. Perceptions in the marketplace about Alberta are associated with awareness problems but must be the focus of carefully planned promotional effort. The negative perceptions of Alberta include poor weather, poor access, and lack of suitable infrastructure. These impressions often prevent meeting planners from considering Alberta. Organizers of familiarization tours and site inspections have observed the positive reaction of meeting planners who have visited Alberta for, almost unanimously, they are impressed by what they see, and they often comment that they had no idea there is so much here, or there is so much to do.

Local Representation

Through contract arrangements Alberta is represented locally in four key marketplaces: Geneva, Switzerland, New York, Chicago, and Washington D.C. In this respect, Alberta is well represented with higher local exposure than many of its competitors. This form of representation is most important to offset the awareness constraint Alberta faces. While the meetings market is very large and widely distributed it is, in fact, a market that relies very heavily an on-going personal contact, both to develop awareness and to maintain current knowledge. The research revealed clearly that emphasis on personal contact selling is a critical element of the success of Alberta in the marketplace.

Canadian Embassies and Consulates, and the presence of C.P. Hotels and various airline sales offices can also benefit Alberta's competitive position. However, unless these representatives are motivated directly to focus efforts on Alberta destinations they can decrease, rather than raise Alberta's competitive profile by concentrating their attention on other Canadian destinations which have established higher levels of awareness.

The Embassies and Consulates, within their budgetary constraints and general direction, are quite well accessed by Alberta and the Alberta meetings industry participants. By comparison with other provinces, Alberta is seen by federal officials involved in the meetings market at the Embassy/Consulate level to be one of the leading provincial participants. This is notable particularly in Washington, D.C.; Atlanta, GA; and New York, N.Y. where Alberta has established representatives. In other areas, notably London, U.K.; Dallas, TX.; Los Angeles, CA; and Seattle, WA, there appears to be the opportunity for Alberta and the Alberta meetings industry participants to take better advantage of the availability of the Consulate representation.

There is some evidence that U.S. associations and corporate clients like to establish ongoing relationships with hotel chains offering high class accommodation at a wide variety of locations. C.P. Hotels' recently announced acquisition of the U.S. Doubletree chain may increase its overall visibility in the U.S. market. The presence of C.P. Hotels Sales offices can be of particular value in exposing Alberta destinations and products to the marketplace. C.P. Hotels has properties in 6 Alberta destinations - significantly more than any other major hotel chain.

Further opportunities for Alberta to market itself as a meetings destination were recognized by meetings and incentive planners interviewed in the U.S. (particularly California and Washington State) and in Europe (the U.K. in particular). However, the biggest disadvantage to them in selling Alberta to their clients was a lack of detailed information about facilities and amenities. Information about the types of hotels available, the number of rooms offered at each hotel, quality and capacity of eating facilities, attractions to visit and things to do are all features which are important to the process of determining which destinations to choose. Similarly, access to information was noted as a difficulty, particularly in Seattle where, despite the presence and best efforts of the Canadian Consulate office, information about Alberta was hard to come by.

Meetings Industry Trends

The future of the meetings industry and its markets is expected to be characterized by a number of general trends common to each of the meetings market segments. An important marketing issue which is key to improving Alberta's participation in the meetings market, is the need to increase the province's profile among meeting planners and decision-makers. Competition is expected to increase requiring more efficient (and ultimately productive) use of marketing budgets. Alberta's smaller cities have recognized this and are in the process of establishing marketing representatives for the meetings market.

Products will need greater definition and appeal to compete effectively. In particular, prices, facilities and service standards will be the key criteria by which potential destinations are judged. While demand concentrates on these aspects, important contributing factors to final destination selection will be the ability of the destination to effectively package its product to meet the needs of various meetings groups.

A structural change in the North American market is also foreseen. Customs regulations are being simplified making border crossings much easier for meetings groups. The continent is expected to develop into four distinct quadrants - northeast, southeast, southwest and northwest (including Alberta) - resulting in stronger cross-border economic and social relationships, and greater interaction between the states and provinces within each region.

Further, there are some real barriers to access into Alberta which are presently limiting the province's competitive position. From the research conducted in both the U.S. and Canada it was determined that non-stop air service and frequent air connections were two of the 5 most important considerations to meeting planners (the three other criteria included quality of meeting space, host city hotel room capacity, and proximity of meeting space and accommodations). Improving air access to Alberta, therefore, must be an important objective of future market planning activities.

These general trends will affect all suppliers in the meetings market, creating opportunities for destinations of all types and sizes. Further, each market sector is subject to its own set of trends, and these are detailed in the following sections of this report.

ANALYSIS OF THE MEETINGS MARKET BY MARKET SEGMENT

4.0 ASSOCIATION MEETINGS MARKET

Association meetings are events organized on behalf of an association and away from the association's offices *(Alberta Tourism)*. Meetings of various types (conventions, seminars, etc.) are a very important component to the functioning of associations. Data from a 1990 survey of American Society of Association Executives (ASAE) revealed that on average 20% of an association's annual income is generated by meetings *(ASAE, 1990)*. In part, this economic fact may explain why the average number of conventions, for example, is expected to increase from 1.3 per year to 1.5 per year, and the number of seminars will increase from 10.8 (1990) to 12.6 in 1991.

Association Meetings Market Profile

Growth in the U.S. association meetings market has been substantial between 1983 and 1990, as Table 4.1 shows.

Table 4.1

Summary of Annual Association Meeting Statistics

	Number of Events		Number of Delegates (m)		Value of Expenditures $ billion)	
	1983	1990	1983	1990	1983	1990
Conventions	8,400	11,830	10.5	16.9	10.4	18.1
Seminars	75,000	70,070	14.3	17.7	6.5	11.1
Total	93,400	81,900	24.8	34.6	16.9	29.2

Source: American Society of Association Executives.

For conventions alone a 41% increase in the number of events has occurred, resulting in a 74% increase in expenditures *(ASAE, 1990)*.

Approximately 10% of total expenditure is made by the associations themselves and the remaining 90% by delegates and other attendees. Total delegate/attendee expenditure on major conventions equalled their expenditure on other association meetings, although average delegate/attendee spending reported per convention was higher than their expenditure at other meetings.

Major Association Conventions

It is estimated that between 6% and 10% of major conventions organized by association meeting planners took place outside the continental U.S. *(Meetings Market '90 and ASAE)*. Associations with wider scope hold more conventions than those with a regional or local scope, and are more likely to meet outside the U.S. *(ASAE)*. In addition, 12% of association meeting planners are considering destinations outside the U.S. for a convention or conventions during the upcoming twelve month period.

Table 4.2 shows the differences between the larger and more regional associations with respect to the destination of their 1988/1989 conventions.

Table 4.2

Convention Meeting Trends by Scope of Association

Scope of Association	Mean # of Conventions held in 1989	# of Associations that held a Conventions in 1988 or 1989 and met outside the U.S.	% of those meetings outside the U.S. that took place in Canada
National/International	3.4	17% (n=156)	31% (n=26)
State/Regional	2.5	5% (n=204)	18% (n=11)
Local	1.0	0% (n= 16)	0% (n= 0)

Source: Association Meeting Trends, 1990, ASAE.

Detailed interpretations of these data must be viewed with caution due to the small number of responses used at this level of the analysis. However, this examination shows that Canada (at 31%) was the second most popular destination outside of the U.S. for 1988/1989 meetings among those associations with national/international scope, while Europe was the leading destination with 50% of the off-shore meetings. Asia was the third most popular with 19%. The state/regional associations selected the Caribbean as their favourite destination and Canada tied in second place with Mexico.

Expenditures

Associations tend to be cost conscious when selecting a meeting site *(Metropoll III)*. Almost half of association executives canvassed stated a preference for round trip air fares of US$250 or less, whereas they were less likely to seek hotel accommodation with rates above US$125.

Examination of expenditures made by association delegates shows that total per capita expenditure at major conventions organized by national/international associations was approximately US$715 (or US$183 per day) on hotel accommodation, meals, tips, personal items, etc., an amount which excludes the cost of transportation to the convention or registration fees *(ASAE)*. Of daily expenditures, US$81 is considered to be the typical cost of accommodation *(Metropoll III)*. For the state/regional association conventions, estimated total expenditure by delegates was approximately US$470, or US$154 per day.

In addition, expenditures made directly by the association also contributes to local economic benefits at the destination. The average expenditure by an association on its major conventions is estimated to be US$121,400 *(Meetings Market '90)*.

Overall, it has been shown that 62% of the national/international associations spend less than US$100,000 on their convention and 71% of the state/regional associations spend less than US$50,000.

Accommodation

National/international associations and the state/regional associations are most likely to select downtown, city hotels for their convention *(ASAE)*. Table 4.3 shows the selection of accommodation for convention delegates by the scope of association.

Table 4.3

Convention Facility Profile - 1988/89

Type of Meeting	Scope of Association	
	National/ International	State/ Regional
	% (n=156)	% (n=204)
Downtown hotels	78	60
Resort hotels	39	47
Suburban hotels	17	24
Convention centres	17	17
Conference centres	12	13
Airport hotels	13	7
College/University campus	6	1
Other		

(Multiple responses are included so total will exceed 100%)

Source: Association Meeting Trends, 1990, ASAE.

Over half (59%) of the national/international associations required less than 2,000 room nights for their convention and had total attendance of less than 1,000 delegates *(ASAE)*. Among the state/regional associations, 69% used less than 2,000 room nights and had total attendance of less than 1,000.

Site Selection

Final decisions are made about site selection approximately 3.5 years ahead for national/international associations and 2.4 years ahead for state/regional conventions. While conventions take place throughout the year, almost 60% take place in the months of April, May, June, July, or October. The preferred month is April, which accounts for 14% of conventions. May and June follow with 12% each *(Meetings Market '90)*.

Among the national/international associations, site inspections are made by the Chief Paid Executive (63% of associations), the meeting planner (44%), or committee members (15%) *(ASAE, 1990)*. Depending on the type of meeting, the final site selection decision is usually made by the Board of Directors (51% of associations), the Chief Paid Executive (40%), or jointly among committee members (15%). The profile is different for the state/regional associations, where, in 68% of cases the Chief Paid Executive usually makes the site inspection and in 47% of association is also the most likely to make the final decision also. However, 95% of association meeting planners have decision making responsibility for the selection of meetings hotels and other facilities *(Meetings Market '90)*.

Other key factors associated with conventions include:

- Primary site selection criteria:
    - meeting rooms
    - quality of service
    - sleeping rooms
    - overall appeal of facility
    - overall affordability;
- Shoulder seasons (Spring and Fall) are primary convention seasons - December and January are least popular times of year;
- Conventions tend to last 3.3 days and begin on Thursday; national associations and associations of professionals hold the largest events;
- Between 33% and 41% of associations provide pre- or post-convention activities, including spousal programs.

Other Association Meetings

Expenditures related to association meetings other than conventions were reported to amount to more than US$15 Billion in 1989 with the average association expenditure on these meetings being US$112,100 *(Meetings Market '90)*. Per capita expenditure by delegates is reported to be US$632 per association meeting, suggesting an average per capita, per diem expenditure of US$275. Table 4.4 shows the overall profile of association meetings other than conventions.

Table 4.4

Summary of Types of Association Meetings
Excluding Conventions

Types of Meeting	Planners involved	Average # planned annually	Average attendance	Average # days duration
Board Meetings	82	4.0	36	2.0
Educational Seminars	60	10.3	119	2.4
Professional/Technical Meetings	43	6.1	130	2.2
Regional/Local Chapter Meetings	31	7.6	146	1.8
Other Meetings	19	7.1	221	4.0
Average	85	15.7	116	2.3

(Base = 523)

Source: The Meetings Market '90.

Table 4.4 shows the frequency of educational seminars and regional/chapter meetings and the comparatively large attendance at regional/local and professional/technical meetings. Meetings classified as "other" appear to have longer duration, the highest average attendance, and are held quite frequently. The "other" group constitutes 16% of the total number of attendees involved in all meetings other than conventions.

Table 4.5 provides further details of these association meetings. This table shows the type of meetings and the percentage of all meetings of each type that are reported to have been held outside the continental U.S. in the previous 12 month period *(Meetings Market '90)*. The data show that 16% of planners had been involved in planning meetings outside the continental U.S. during that period, and 19% are considering holding a meeting outside of the U.S. during the immediately following twelve months.

Based on the analysis of the attendance reported for each type of meeting, Table 4.5 also shows an estimate developed for total attendance at U.S. originating meetings held outside the continental U.S. The total of approximately 730,000 attendees constitutes some 3.4% of total attendance at all U.S. association meetings other than conventions.

Table 4.5

Characteristics of Selected Types of Association Meetings

Type of Meeting	% of meetings	% of delegate attendance	% of type held outside the U.S.	Attendance at meetings outside the U.S.
	(n=186,600)	(n=21.7M)	(n=5,500)	
Educational seminars	39	40	2	173,600
Board meetings	21	6	2	26,040
Professional/Technical meetings	17	19	4	164,920
Regional/Local chapter meetings	15	19	3	123,690
Other Meetings	8	16	7	243,040
Total	100	100	*	731,290

* not cumulative.

Source: The Meetings Market '90.

Table 4.6 shows the locations of meetings held outside the continental U.S. during the 12 month study period and the destinations being considered for meetings planned for the following 12 months. However, it is important to note that a direct comparison cannot be made between these data. Data related to historical meeting planning activity was segregated to allow independent evaluation of conventions and other meetings. The data gathered related to future planning was only gathered for any meeting being planned, and therefore includes both conventions and other meetings.

Table 4.6 also shows Canada to have been the second most frequently selected destination *(Meetings Market '90)*. Further, it remains in second place in future planning. It is possible that the decline in interest in Europe is due to the inclusion in the future planning information of conventions, although it may also be a reaction to the widely acknowledged reputation of Europe as an increasingly expensive destination. Many other reasons could also exist, including the possibility that many interesting destinations are considered by meeting planners but found to be unsuitable.

Table 4.6

Offshore Association Meetings

	% of Association meeting planners who held offshore meetings other than Convention meetings during past 12 months	% of planners considering offshore destinations for Association meetings, including Conventions
	(n=71)	(n=108)
Europe	50	41
Canada	33	37
Caribbean	27	27
Pacific	6	19
Mexico	16	18
Orient/Far East	-	14
Hawaii	-	6
Middle East	-	5
Africa	-	3
Asia	15	-

Multiple responses are included so totals may exceed 100%.

NB: Comparison between the data reported may not be valid due to different criteria used in data gathering.

Source: The Meetings Market '90.

Most association meetings, excluding conventions, are organized with lead times of 6 to 10 months. The meetings typically take place in spring (March, April, May - 31% of meetings) or fall (September, October, November - 29% of meetings). By comparison, conventions are more concentrated in April to July, or October.

Longer lead times, averaging 13 months, are reported for the offshore meetings. These meetings last for 6.9 days on average, and include an average of 236 attendees.

There is an increasing trend among associations to stage expositions and seminars to increase revenues in an effort to offset rising administrative costs. Key factors associated with associations other than conventions include:

Expositions

- Annual expositions staged by half of ASAE members, usually in conjunction with a convention;
- Locations tend to be hotels followed by convention centres;
- Expositions begin on Thursdays and last for three days on average;
- On average, expositions require 52,000 square feet of exhibition space, although 7% of associations require over 100,000 square feet;
- Site selection is made 3.1 years prior to the event;
- Only 4% of associations holding expositions held an exposition outside the U.S. in 1988 or 1989. Nearly half of these expositions were in Canada.

Seminars

- An average of 9.8 seminars are staged annually by associations, averaging attendance of 252 delegates;
- Seminars tend to occur throughout the year, although July, August and December appear to be the least favoured months.

Alberta's Market Share

Association meetings and conventions constitute the largest proportion of the meetings market in Alberta accounting for 68% of all business, excluding incentive travel, a proportion which is consistent with data reported in the Meetings Market '90 study. Meetings suppliers in Alberta have expressed concern that local association members are difficult to identify and access. This was not found to be the case in Vancouver where this strategy has worked effectively and contributed to the number of association meetings held in that city. Some Alberta meetings industry suppliers develop contacts this way. The majority of association membership is among academic, government, technical, and scientific communities.

Alberta's Competitive Position

The market created by association meetings is one which offers significant potential for Alberta. In order to be able to turn this potential into business Alberta must establish a committed approach to challenging those destinations which are currently Alberta's main competitors. To do this will require a competitive strategy which recognizes that the likelihood of qualified associations selecting Alberta as a meeting place will be dependent upon geographic, product and membership considerations.

Competitors

Research conducted in the U.S. shows that Alberta's destinations compete directly with major cities and resorts in Canada and the U.S. Alberta's principal Canadian competitors are:

B.C.:	Vancouver, Whistler
Ontario:	Toronto, Ottawa
Quebec:	Montreal, Quebec City.

Vancouver and Whistler were identified as particularly attractive destinations for associations based in the mid-west and south-west, as well as Southern California and Washington State. Eastern Canadian destinations appear most popular for associations located in the eastern and southeastern U.S.

Although there is some crossover between western based and eastern meetings, the general geographic distribution of east meeting in the east is largely fostered by real accessibility, particularly in Toronto and Montreal, and the relative proximity of these destinations. The same applies for Vancouver in the western U.S. market.

An association executive based in Washington, D.C. who recently ran a very successful conference in Edmonton said Alberta (and Edmonton) was his hardest destination ever to promote, but achieved high satisfaction among delegates.

Factors Influencing Market Trends

In terms of size, the association market is expected to continue to be the most significant component in the total meetings market. The primary criteria which associations consider in selecting meeting sites are the number of hours in total travel time, distance from the airport to the hotel, and the number of flight changes necessary to reach the destination. High quality facilities and service are also key factors which are currently driving demand trends for associations, as well as other meetings types.

- *Associations require flexibility in the meetings facilities offered by hotels and convention centres.*
  Due to the nature of association meetings, space requirements may change during the course of a meeting. Day 1, for example, may require one large room which can

accommodate display and exhibit booths and day 2 may require smaller meeting rooms. Association planners appear to prefer using the same room for both functions, thereby requiring that the meeting facility they select has the ability to accommodate this demand.

This type of flexibility tends to reflect the need for meeting facilities to be close to accommodations, if not attached. From consultations with association meeting planners in the U.S., it was determined that preferences for attached meeting accommodation facilities appear to stem from the reluctance of associations to pay additional costs for meeting space when such costs may be avoided if the hotel can provide suitable meeting space. Destinations where such charges can be eliminated, or appropriately reduced to meet budget requirements, receive preference in destination selection.

- *Increase in professionalism.*
  Previous images of "good old boy" parties have been replaced by a very business-like approach with conventions being staged for professional development purposes. Growth in education and technical symposia are examples of this move to professionalism.

- *Cost-effectiveness and revenue generation.*
  To increase revenues relative to costs, associations often include a trade show or exposition in their conventions and this is resulting in demand for more exhibit space, in addition to other space requirements - 72% of association planners reported use of exhibition space in a 1989 survey *(Meetings Market '90)*.

- *Smaller meetings*
  A reduction in the number of attendees at national and international meetings, and a tendency towards regional meetings. Reductions in attendance are directly related to economics; where corporations, for example, are absorbing the costs for attendance by their representatives they are becoming more cautious as to who attends and how many people they send. Pricing strategies are focused on these issues. A trend reported by associations that while registration fees are being reduced, a range of optional components, such as final banquets, pre- and post-convention activities, etc., that would previously have been included in the registration package, are charged for separately. The lower registration fee, therefore, is used to motivate attendance.

- *Influence of corporate sponsors*
  Affecting the choice of destinations made by associations that wish to encourage corporate sponsors to send delegates. Associations are looking to select destinations that are not characterized as "fun and sun" in order to show corporate sponsors that their employees will gain professionally through attending, and that there are subsequent benefits to the corporation.

- *Travel cost reductions*
  The use of excursion airfares is becoming popular with events held over weekends to include a Saturday night and qualify for the excursion rate. Two benefits are evident from this trend. First, costs to delegates and sponsors are reduced by not flying during the week - airfares and weekend hotel rates are cheaper and time out of the office is reduced. Second, destinations benefit through delegates arriving 1 day or more before the event begins, or staying longer after the event and participate in pre- or post- activities which are organized locally on behalf of the association. These activities may include spousal or family programs.

- *Less importance of spousal programs.*
  A trend identified in Chicago and the eastern U.S. but which was not confirmed in Los Angeles or Seattle, or recognized by Alberta suppliers, was an inclination by associations to eliminate spousal programs. In part, this emerging shift away from spousal involvement reflects the "business-oriented" nature of some association meetings. Ultimately, increasing business-like meetings may also affect the demand for pre- and post-activities and the length of stay by delegates.

- *"Healthy" meeting appears to be becoming more prevalent.*
  Originating in Los Angeles, and used in marketing for Portland and B.C. destinations, opportunities for healthy activities combined with the association meeting are becoming important to the destination selection process.

- *Changes to planning time-frames and event cycles*
  Lead times between bookings and events actually occurring will reduce as associations seek out the most cost-effective destination which offers the best opportunity to take advantage of discounted seasons, room rates and airfares.

- *Protectionist sentiment*
  Originating from Canadian counterparts of U.S. associations. Canadian member executives are concerned that they will lose their responsibilities as more international

meetings occur, and that any distinction between the Canadian and U.S. memberships will be lost. The concern appears to be one of membership and meeting income. Some Canadian associations are concerned that their members may perceive they are better serviced by the larger, U.S. counterpart organization. This perception may be exaggerated by the role of the U.S. counterpart in organizing meetings in Canada. Canadian organizations fear they may lose their membership to the U.S. organization as a result.

- *Meeting special needs.*
  A need to meet the requirements of female association members who constitute a growing proportion of attendees is expected to be greater in the 1990's.

- *Deficit reduction strategies of major convention centres.*
  The tendency is for centres to look to increasing locally originating business which may prevent a large non-local event from making a booking. This trend is underway in many cities, including Edmonton. Some public convention centre authorities offer free or discounted convention space to non-local events in order to attract the economic benefits of delegate expenditures on hotels, restaurants, etc. in the city. However, local businesses are charged full price for convention centre meeting space, creating revenue for the centre although other local economic benefits are minimal. This is a quandary for convention centre authorities.

Association Meetings Market Trends

Three major factors have been identified as having had or expected to influence the future association meetings market. These are:

- Globalization;
- Regionalization;
- Product dimension.

a) *Globalization*

The impact of globalization on association meetings will be influenced by such factors as the broadening of the interest of associations in response to trends in the association's industry to include more international membership. This will result in the need for meetings to take place in wider geographic horizons, although regional meetings will also be required to address regional issues. Further, it is the opinion of association executives that broadening horizons will result in the need for more meetings in the short term to develop better understanding of international issues in the association's industry.

Traditionally in the United States, for example, many associations have been state-based and have established by-laws within their charters to the effect that meetings are to take place at sites within the state. In large part, such by-laws have been established more out of necessity for qualifying for state funding than out of any mutual exclusivity from colleagues in neighbouring states.

However, there appears to be a tendency for those associations with such by-laws to find that their membership (and particularly their executives with whom decisions regarding meeting locations rest) are looking for alternative locations to the often limited selection available in their home state. Washington State, for instance, offers both urban locations such as Seattle, and several resort developments north and west of Seattle. Seattle, however, is often home to the largest proportion of association members and there is less interest among these delegates in attending local meetings. The resorts offer alternatives but these too can be less attractive because of the limited number of things to do, particularly when attendees are accompanied by their families.

Due to these types of limitations, certain associations are looking to broaden their choices. To do this, they tend to look to neighbouring states only if there is no charter conflict with that state's affiliate, or they look elsewhere, including Canada. In the case of the State of Washington, British Columbia is an obvious choice since it is adjacent, accessible and has much to offer and, from a meetings perspective, is virtually considered a natural extension of the state. Moreover, similar associations exist in B.C. which provide a natural link to state associations. Thus, although perceived as a regional situation, an international link becomes established.

International links become further established when single associations have members in different countries. This already happens with many scientific and health associations, and is becoming more the norm as businesses establish international offices in order to access conglomerate economies, such as that to be created in Europe in 1992. A facet of this trend is that delegates from overseas have somewhat higher tolerances for service, amenity and facility standards. They are also willing to pay less for their accommodations than might be anticipated from a strictly U.S.-originating association meeting. These factors may open opportunities for the mid-range hotels located in Edmonton, Calgary and second-level cities in Alberta, such as Lethbridge, Red Deer and Medicine Hat.

The Canada/U.S. Free Trade Agreement offers the opportunity for increased trans border trading activities, for Canadian and U.S. businesses. As associations are generally business oriented, it is likely increasing trans border interest among the business community may result in increases in the interest of U.S. associations in meeting in Canada and, conversely, the interest of Canadian associations in meeting in the U.S. Further, associations may hold meetings in the U.S. and/or Canada that will be attended by members from both countries, thus the meetings may be larger in size.

b) *Regionalization*

Within the context of globalization, a clear trend which has already begun and is expected to continue, is that association meetings are more frequently occurring on a regional rather than national basis. Regionalization offers Alberta an opportunity to benefit in two ways. First, Alberta should be seen to be a participant in a recognized geo-economic region, thus gaining exposure and raising awareness in the market. Clearly, this region should be the Pacific Northwest consisting of Montana, Idaho, Washington, Oregon and B.C. There are already agreements between members of this group to work cooperatively in the international economy, given the shared economic ties related to forestry, high technology, health care, and the petrochemical industry. The further development of economic linkages will lead to greater involvement in associations at the regional level, thereby allowing Alberta's destinations to be included in the regional inventory of meeting locations.

Secondly, as regional meetings become more prevalent, there is a tendency towards an increase in the number of meetings held each year. In contrast to national meetings, regional meetings are more cost-effective in that they are cheaper to stage due to less need for large meeting facilities. They are also cheaper for delegates (and therefore more attractive) since expensive cross-country airfares are avoided. More meetings means more interest in a variety of sites, a fact which Alberta's industry has the potential to develop into real volume during the next decade.

The move towards regional meetings is expected to continue. However, national and international meetings will continue to be important to meet the needs of associations. In particular, as regional association meetings can serve regional members as a single group, national and international meetings will provide forums for specialized sub-groups within an association. The medical profession, for example, is becoming increasingly specialized. Scientific, educational and other professional associations all show signs of holding regional meetings for their general membership and national meetings for special groups within the associations. Such meetings tend to be smaller in attendance and shorter in duration (up to 3 days) than previously.

c) *Product Dimension*

Discussions in Europe and the U.S., including contacts with European and U.S. suppliers, association industry experts, and association executives suggest that the European integration of 1992 will not affect Alberta's opportunity in the association meetings market. Forecasts for transatlantic travel also do not suggest the need for concern. Alberta's opportunity in the international meetings market is expected to remain available. Continued market contact will ensure sales leads are generated. Growth in the size of international meetings identified through European contacts may take place as a result of globalization. The number of meetings may increase as fractions of associations, either by interest category or by geographic concern, also begin to hold meetings.

Association meetings are subject to the economics of the associations themselves, and those of their members and members' employers. Regional meetings, by being less costly to stage, usually involve less planning than national or international events. However, due to the fact that association charters require meetings to occur, they are somewhat more resistant to national or international economic recessions than the corporate meetings market, for example.

The product offered to associations, while still being high quality to ensure satisfaction, can be somewhat more flexible than that offered to the corporate or incentive markets, given that associations tend to seek cost-effective destinations. Packaging is growing in importance to association planners in response to the need to manage costs. They look for products which combine business and pleasure for delegates and, where spousal or pre/post programs are included, for companions. The precision and organization with which these packages are put together by host destinations and the impressions they make on prospective buyers, are all critical to successfully attracting an association meeting.

Opportunities for Alberta in the Association Meetings Market

Alberta has an opportunity to develop a significant presence within the association meeting market through continuing to attract associations based in Canada, existing U.S. markets, and new markets in the U.S. and Europe. Although the province is currently faced with real constraints related to access, air lift, facilities capacity, and travel costs, these can all be addressed through the development and implementation of a detailed and clearly researched marketing and industry development strategy. The most significant barriers which limit Alberta's market presence are awareness, and lack of information in the hands of meeting planners.

In order to address these barriers, detailed research needs to be undertaken to identify which associations offer real potential, where these associations are located, and who the decision makers are. Work already initiated by Alberta Tourism and Canadian Consulate offices, for example, has pre-qualified many eastern-based associations. Additional potential in the mid-western and western states is also evident. Close liaison between government offices and major tourism industry chains such as C.P.Hotels, and the major airlines will further strengthen Alberta's ability to identify clients.

Determining which specific associations could be targeted might be undertaken through an assessment of the relationships shared by an association with Alberta. In this respect, associations related to the economic profile of Alberta may have Alberta members. Identifying these economic relationships might be the first step in working to attract future association meetings.

The implementation of this type of process might focus on those markets where Alberta already has a presence, ie. Washington, New York and Chicago, and in Europe. In potential new markets outside of Canada, assistance from the Canadian Consulate offices could be used to identify and make initial contact with prospective groups.

Once identified, an Alberta presence must be established with targeted associations and their decision-makers. There is a very definite need for developing and using a detailed and comprehensive meetings guide which can tell association planners all they need to know about Alberta's ability to meet their needs. Direct mailings and personal contact with planners is considered to be the most effective means by which Alberta can establish greater recognition in the marketplace.

The ability to be creative and innovative is a feature to which meetings planners respond. Once interest in Alberta is determined, planners and association executives should be encouraged to visit the province on a familiarization trip. Research in the U.S. has shown that once qualified planners have an opportunity to actually see and experience Alberta they are very interested in exploring the possibilities of holding a meeting in the province. Increasing the number of familiarization tours and site visits for qualified planners holds very definite potential for attracting more association business to Alberta.

Alberta may also have an opportunity through marketing itself as an alternative destination. Most major cities and resorts have been used for association meetings, and new planners are looking for something new or different. This may be a niche which Edmonton or Calgary might develop.

Constraints and Barriers

Air access is a particular concern in the eastern U.S. There is a need for improved air lift into Alberta which is consistently available and can provide necessary capacity for 300 or more delegates. A key issue in this regard concerns the fact that associations have members throughout the U.S. Therefore, access to Alberta may be less of an issue for members, but is perceived to be a serious constraint by the planner, who is often based at an association's head office in Washington, DC, which has poor air access to Alberta.

Negative perceptions about Canada's weather, taxation (GST) and political uncertainties (ie. Meech Lake and Quebec) are hindering potential from the U.S. Awareness programs which deal with these issues and which inform recipients about Alberta would be of significant assistance.

5.0 CORPORATE MEETINGS MARKET

A corporate meeting is one sponsored by a corporation and held in a commercial facility away from the company's offices (Alberta Tourism). The corporate meetings market includes a variety of different meeting types, ranging from local sales meetings to training seminars to annual conventions and international management meetings. Data from the 1989 Metropoll III study, however, show that corporate meetings planners generally characterize their meetings as being regional.

Incentive travel, while it is often considered to be part of the corporate meetings market, is addressed in a subsequent section of this report and is therefore not included in the following discussion.

Corporate Meetings Market Profile

Only 17% of corporate meeting planners are engaged full time in meeting planning activities *(Meetings Market '90)*. The average amount of time committed by them to this activity is estimated at 25% of their total schedule. However, 38% of the meeting planners have 10 years or more of meeting planning experience. The impact of their roles and responsibilities is summarized by Table 5.1. The data show, for example, that management and sales meetings tend to generate demand for less than 50 hotel rooms, with only a small proportion creating higher demand.

Average expenditure per attendee at corporate meetings, including meetings held in the U.S. or offshore, is estimated to be US$166 (compared with US$684 for a non-convention, association meeting), of which US$95 (57%) was spent on hotel accommodation, food, and associated expenses. Accommodation alone accounted for 33% of expenditures (that is nearly 60% of all expenditures on hotel accommodation, food, and associated expenditures). Of expenditures on hotel accommodation, 35% was spent in urban/midtown hotels and 27% at resort hotels *(Meetings Market '90)*.

Table 5.1

Summary Data on Dimensions of Corporate Meetings by Type of Meeting

		% Mgmt	% Sales	% Training
No. of Mgmt. meetings per year	1	20	20	15
	2	30	21	13
	3	15	13	12
	4	12	10	10
	5 - 10	14	17	24
	11 - 15	10	8	n/a
	> 15	6	10	26
Average Attencance	< 25	64	38	64
	25 - 50	21	28	21
	51 - 100	7	17	7
	101 - 200	5	9	5
	> 200	4	8	4
No. of Hotel Rooms	< 25	71	49	n/a
	25 - 50	15	24	n/a
	51 - 100	5	14	n/a
	101 - 200	4	6	n/a
	> 200	5	7	n/a

Source: Successful Meetings "State of the Industry".

Data gathered from corporate planners shows that their largest meetings have an average attendance of over 1,300 people, and generate demand for 727 hotel rooms. A significant economic impact is associated with this demand, given the average per attendee expenditure of US$166 *("State of the Industry")*. By comparison, average delegate attendance at non-convention association meetings was estimated to be 116, and for association conventions 1,078 *(Meetings Market '90)*.

Despite the economic impact of corporate meetings, corporate planners are increasingly being pressed to reduce the cost of meetings *("State of the Industry", 1990)*. It is estimated that the total economic value of corporate meetings was US$73 billion in 1989, with each company estimated to spend US$605,000 on average to stage its largest meeting. Further, when the cost to have employees attend meetings rather than be at the office is considered, US$20 billion is added to the total economic value of the meetings.

Almost one quarter (23%) of the corporate meetings were held outside the continental U.S., including 4% (19% of those held outside the U.S.) held in Canada *(Meetings Market '90)*. Canada was the second favourite foreign destination for U.S. corporate meetings. Europe was the most popular with 35% of corporate meetings held outside the continental U.S.

Corporate meeting planners are looking to European, Caribbean, and Canadian destinations for their offshore meetings *(Meetings Market '90)*. Approximately 26% of the planners planned use of offshore (outside continental U.S.) destinations during the 12 months following the 1989 study. Among offshore destinations, Europe still led (although with a decreased proportion at 24%), the Caribbean was second (replacing Canada with 21%), and Canada ranked third, (but with decreased interest at 13% compared to 19% in 1989).

Offshore meetings in 1989, with a forecast total of 64,200 meetings, involved an average of 85 attendees for an average duration of 4.7 days and took 8.2 months of planning lead time *(Meetings Market '90)*. Further, 45% of offshore trips were incentive travel trips, 14% national or regional sales meetings, 12% training seminars, 11% management meetings, and 10% professional/technical. New product introductions (5%), stockholder, and other meetings accounted for the remaining 8% of meetings.

Alberta's Market Share

Measurement of Alberta's share of total demand created by corporate meetings is rather difficult since hotels lack record-keeping systems which are consistent for all properties. As a result, a definitive profile of this market is limited to the perceptions of industry representatives interviewed for this study and the relatively few data sources which contain comparable data. However, data from Alberta's convention centres indicates that corporate events represent approximately 29.2% of the meetings market in Alberta, a proportion which is consistent with data reported in a 1989 survey of corporate meetings planners *(Meetings Market '90)*. Of this corporate business, approximately 75% of meetings at the Edmonton Convention Centre, for instance, originates locally *(Edmonton Convention Centre data 1989)*.

The corporate meetings that are held in Alberta and which do not originate locally, tend to originate either regionally (Western Canada) or nationally. Awareness of Alberta among corporate meeting planners, as well as limited accessibility are problems faced by the province in attracting corporate meetings from outside of Alberta. Despite the barriers which exist, Alberta is considered to be an appealing destination by those corporate planners who know about the province. Further, those planners who visit the province on site inspections find that the facilities and amenities that are available, are the types which will meet their clients' needs.

Corporate meetings have occasionally been held in Banff by Pacific Rim corporations. Identification of those groups who have come to Alberta is difficult since bookings are usually made under the name of a tour operator which itself may be directly part of a corporation or independent of it. Consequently, the number of groups from this market is presently undefined.

Alberta's Competitive Position

Alberta is assessed by corporate meeting planners to be an attractive destination for many types of meetings.

Competitors

Alberta's competitors in the corporate meetings market can be grouped into major cities and resorts. Vancouver, Toronto and Montreal are the primary Canadian city destinations for corporate meetings. These cities are important business centres where many national offices for multinational corporations, and Canadian corporate head offices are located. These cities also possess a well-developed cosmopolitan infrastructure which is recognized in the U.S. and which is important to meetings decision-makers in the U.S. and abroad.

Alberta's resort destinations compete with each other as well as resorts elsewhere in Canada for meetings business which originates in Canada. In the U.S. market, Alberta resorts again compete with other Canadian resorts in addition to resorts in the western and mountain states: Colorado, Wyoming, Washington, Montana, Idaho, and Oregon.

The ability of Alberta to compete in the corporate meetings market may, to some extent, be aided by perceptions revealed in interviews and discussion groups among those corporate meetings planners who have heard of Alberta, that the province is strictly a resort destination. Such perceptions are attributable to awareness of the Rocky Mountains and in this respect, tend to work against Alberta's cities, although to some degree, the presence and proximity of the Rockies is a factor which has contributed to a greater level of awareness for Calgary relative to Edmonton. Even with the West Edmonton Mall, Edmonton is not particularly well-known among corporate buyers.

Factors Influencing Market Trends

The competitive relationships between corporate meeting destinations is quite volatile. Generally, large, corporate meetings are located at major destinations such as New York, San Francisco, or Los Angeles, cities which already possess suitable meeting facilities and accommodation capacity, corporate links and market recognition. It is apparent, however, that destinations such as New York and Los Angeles are becoming less attractive due to increased cost and taxation, compounded by security concerns. As a result, "second tier" cities, such as Dearborn, MI; Denver, CO; Seattle, WA; St. Louis, MS; and resorts in Wisconsin, Washington, Wyoming, Idaho, and the Sierras are becoming more attractive as corporate meetings destinations. The second tier city status of Edmonton and Calgary, plus the mountain resort destinations, place Alberta in a potentially strong position in the corporate meetings market.

Corporate Meetings Market Trends

Alberta Tourism has only recently included the corporate meetings market as part of its marketing activities. Alberta's destinations can expect to continue to compete directly with the major cities of North America. Most significantly, second-tier cities such as Seattle, Portland, Denver and Dallas for example, are all developing or expanding their inventories of meeting and convention facilities. As a result, competition between Alberta and these cities will become more intense. Trends which are expected to influence the competitive nature of the corporate meetings market are presented below.

- *International and Continental Economics*
  The volume of business generated from the corporate market is very susceptible to economic cycles, much more so than in the association meetings market. As a result, when economic conditions deteriorate budgets for meetings are reduced. The challenge for destination marketers is to present a product which continues to appeal during times of economic constraint.

- *Global Corporate Structuring*

In North America, trends toward globalization are expected to result in more north/south linkages in addition to east/west links. Therefore, it is likely that Canadian destinations will place a higher level of attention on U.S. markets.

- *Alternative Destinations*
  Awareness is a difficulty for Alberta in this market. Planners were often found not to know where the province is or what it has to offer. However, once they have visited on a familiarization tour they are very positive about including Alberta as a future meetings venue. The corporate market is characterized by short duration meetings which are focused on business and effectively create an "in-and-out-as-efficiently-as-possible" type of demand. By not being a major head office host in the same way as Ontario and Quebec, for example, Alberta is constrained in that it has a relatively smaller corporate market to draw from. However, corporate representatives consulted in New York indicated that the presence of a corporate office was not essential in determining destinations for meetings.

- *Access Efficiencies*
  Other influences on demand for corporate meetings reflect logistical considerations. Often these meetings involve people from many origins. These people may fly individuals to an air system hub such as Salt Lake City, or Denver, from where the corporation has a group booking to the destination. For Alberta, this means that air lift to Calgary and Edmonton must be large enough at hub cities, to gain an advantage in the U.S. market. Airlines interviewed in the research acknowledge these issues and are anxious to modify their service for specific demands, with sufficient notice, but all note the high demand for increased lift into most destinations.

- *Shorter Duration Meetings*
  This trend is emerging from the need within corporations to reduce costs associated with meetings and time away from the office. Corporate meetings are tending not to include pre- or post-event activities in response to budget constraints. Further, national meetings are also becoming more regional in order that cost-efficiencies can be achieved, causing planners to seek less expensive second tier destinations.

- *Price Structure Alternatives*
  A further reflection of how economics is influencing the supply and demand components of the corporate meetings market, is a trend towards price bartering, an extension of the negotiating process where the buyer seeks the best available price

through such means as restructuring meetings packages offered by suppliers, effectively custom designing the meetings opportunity. When there are more players in the field the opportunities for cost-cutting through negotiation increase. This may put individual properties at an advantage or a disadvantage, depending on the nature of the competition.

Opportunities for Alberta in the Corporate Meetings Market

Alberta is well qualified as a destination for many kinds of corporate meetings. The problem Alberta faces is that as cities and resorts in most provinces and states can accommodate at least some proportion of the corporate meetings market, Alberta must find a way to stand out "above the crowd".

Despite the propensity for corporate meetings to be trimmed in response to budget considerations, there are still growth opportunities on which Alberta might capitalize. These opportunities are directly related to those sectors of the North American economy which themselves are growing rapidly and which are represented in Alberta (eg. health, computers and other advanced technology). In turn, corporations within these sectors are often located in geographic regions which share the benefits of corporate growth. In the U.S., marketing by Meetings Alberta in New York should continue and be complemented by marketing efforts directed at corporations located in the South Eastern states and California which offer new market potential for Alberta resulting from economic and geographic factors. In this respect, and given industry trends and Alberta's capacity, the type of opportunity available to the province includes attracting the smaller meetings, such as Boards of Directors, training, network or regional, or CEO meetings.

Overall, consultations with corporate meetings planners has shown that their main concern is cost. Increasing travel and accommodation costs, the time lost by being away from the office, and the more effective use of meetings as motivators are all major considerations. The result of these influences is for corporations to seek destinations which are less expensive than major cities like New York or Los Angeles, in favour of second-tier cities, such as Calgary, Edmonton, Denver and Portland. If these cities can meet the needs of the corporate planner in terms of cost and comfort, then the planner views them as having a competitive edge. Opportunities for Alberta will be associated with gaining competitive advantage by pricing, packaging, and promoting the Alberta product as corporate meetings planners wish to see it and improved awareness of Alberta. The 1988 Olympic Winter Games in Calgary, for example, resulted in much greater awareness of the city among U.S. buyers.

If the corporate market in the U.S. is to be a viable opportunity for Alberta, then marketing and promotional efforts must demonstrate the advantages for corporate meetings of the province to corporate planners and decision-makers. In this respect, Alberta's advantage may rest in the cost effectiveness of the product relative to competitors, and the general attractiveness of the cities and rural areas.

Constraints and Barriers

More opportunities for attracting corporate meetings will likely arise if corporate meeting planners and decision makers are better informed about Alberta destinations. Lack of suitable information is a principal constraint to Alberta establishing a stronger market presence. Presently, the standard reference directories used do not include sufficient information about individual destinations with the province; yet, when a corporate planner in New York was told about Kananaskis he noted that it sounded like the type of meeting destination his company would consider. The need, therefore, is to meet the informational requirements of corporate meetings planners and decision makers.

While the distribution of information is an integral part of stimulating interest about Alberta, targetting the distribution of information is equally important to turning interest into sales. Targetting information requires the identification of corporations which are qualified to meet in Alberta. A progressive approach in this regard has been the establishment of the Meetings Alberta New York Office. However, New York is a vast market requiring significant effort to access just a small piece; other markets such as Dallas or Los Angeles may offer potential for Alberta. Only careful and detailed research in current and potential markets can effectively identify Alberta's opportunities.

6.0 INCENTIVE TRAVEL MARKET

Incentive Travel Market Profile

Incentive travel is a management tool used by companies to motivate successful sales people and other employees to work more effectively by offering rewards in the form of travel *(Alberta Tourism, 1990)*. There are a variety of forms of incentive travel used by corporations, the primary ones being group incentives, tiered incentives and individual incentives.

The value of the global incentive travel market is estimated at US$16.9 billion, with the North American market valued at US$8.8 billion *(European Incentive Travel Survey, 1989)*. The value estimated for the North American market is considerably higher than the US$2.5 billion reported by a 1989 Gallup survey sponsored by the Society of Incentive Travel Executives (SITE) Foundation *(Incentive Magazine)*.

Despite the differences in opinion about the total value of incentive travel, it is quite clear that it is a practice with considerable economic impact. With the median number of participants in a single incentive group estimated to be between 100 and 120, and the average cost per person of approximately US$2,000, a company is spending as much as US$240,000 or more per trip. Depending on the type of buyer (the corporation) and the intended user (the individual to be motivated), incentive travel may result in much higher expenditures. U.S. groups travelling abroad have been shown to spend more and stay longer *(European Survey, 1989)*. Incentive travel destinations, therefore, stand to benefit markedly. Further, one-quarter of companies running incentive programs tend to run more than five events annually *(Successful Meetings, "State of the Industry", 1990)*.

Interviews conducted with incentive travel planners and buyers in the U.S. revealed that, particularly for corporate meetings with activities that are viewed as incentives, the primary destination selection criteria include cost, suitability of meetings facilities, access, as well as the incentive or activities programming, and are all features which Alberta offers. Therefore, opportunities for incentive destinations are governed more by innovative promotion coupled with suitable logistics.

The primary demand criteria from the incentive market include:
- 4 or 5 star accommodation;
- Room amenities (bath robes, extra towels, sewing kits, slippers, hair dryers, etc.);

- Prompt, attentive, and sincere service by desk clerks, porters, room service, etc.;
- Attractions, events, and activities.

Effectively, hotels must pamper their guests and make their visits as trouble-free as possible. In all cases, incentive participants who may be middle-management or sales staff must be made to feel like VIP's.

Throughout the research with incentive planners it was quite evident that Alberta was perceived to be unexciting but could perform better through the provision of appropriate information. Two types of information are required: the details on accommodations, amenities, etc. which are required to plan incentive trips, and promotional types of material which can sell Alberta to corporate executives and potential participants. Detailed brochures and other printed reference materials, videos and particularly site visits with incentive planners are all very important to establishing Alberta's presence.

Market Share

There are no useful statistics available from the meetings industry either in Alberta or elsewhere, to indicate the value of incentive travel to Alberta or the volume of business received. This situation exists because of the lack of a consistent data recording or monitoring system among the various industry players.

All contacts in the incentive travel market indicated Banff and Lake Louise are the primary attractions for incentive planners considering Alberta. To a lesser extent, Calgary also receives consideration as an incentive destination when the Rockies are included in the travel package. Demand tends to be greatest from U.S. and international origins and this is expected to continue. Demand from Canadian corporations is limited, mainly a result of the Alberta industry's assumption that Canadian corporations find that the exotic destinations of Europe and the Caribbean serve as a greater incentive than resort areas in Canada. Discussion group participants and incentive buyers interviewed in this research do not agree with this assumption.

Shoulder season opportunities appear to exist in the incentive travel market for Alberta destinations. Incentive buyers, particularly with respect to corporate incentives with meetings, often tend to arrange their incentive programs during "off peak" periods to avoid other scheduling conflicts. In particular, shoulder seasons are cheaper and less congested than summer seasons. As a result, planners feel that they will get better value and better service from the "shoulder season" than they would for peak season travel.

The timing issue presents challenges for Alberta suppliers. The Atlanta focus group and interviews conducted with corporate meetings and incentive travel buyers in New York and in the U.K. indicated that, while the Calgary Stampede represents a good incentive meeting component, buyers would prefer not to arrange incentives during the Stampede. This preference results from the concern that Calgary is generally full at Stampede time so accommodation would be hard to secure, and value of the incentive would be diminished by lower levels of extra-special service due to congestion. Further, smaller groups would lose their identity among the masses of tourists. It was suggested, though, that the Stampede would still be used as a "hook" and that stampede type events could be arranged during an incentive program conducted at other times. Similar concerns were raised about Banff as a peak season summer destination.

It appears that Alberta's potential as an incentive destination is primarily associated with the Calgary/Kananaskis/Banff/Lake Louise area with additional incentive business in Banff/Lake Louise possible from packages which include Vancouver. Edmonton is not generally viewed as an incentive destination, even when packaged with Jasper, among the corporate meetings buyers or the incentive travel houses interviewed.

Certain Alberta suppliers and buyers who were interviewed in this research agreed that Alberta had much to offer the incentive market, and that while Ontario and Quebec were concentrating on markets in the eastern U.S., Alberta should direct their efforts towards California and the states of the mid-west and southwest. In addition, incentive travel opportunities to Alberta are recognized in other markets. The Canadian High Commission in London, England, and the U.K. sales office of C.P. Hotels, for example, focus their meetings industry marketing exclusively on incentive travel. However, they feel that Alberta, by not actively pursuing this market opportunity in the past, has not received the benefits that are available.

The buyers of incentive travel are corporations and, in many cases corporate meeting planners involved in the meetings market generally, are also responsible for the incentive travel purchases of their company. Within their corporation, these buyers are often influenced in the selection of a destination by advertising, marketing, human resources, production, or other departments. Therefore incentive travel marketing efforts should be focused on corporate incentive travel buyers.

Corporate incentive travel buyers are also often influenced by Incentive Travel Houses. These agencies act as brokers and specialize in arranging incentive travel programs on behalf of corporate buyers. Often the incentive travel house will recommend a selection of destinations that are suitable for a corporation's particular incentive program. Therefore, it is important that these agencies, as well as the end buyer, are familiar with Alberta destinations. However, the final destination selection decision almost always rests with the end buyer.

There is a growing trend, noted particularly in the U.K., for travel agencies to focus more on incentive travel.

Alberta's Competitive Position

Alberta Tourism and most of the meetings industry participants have not previously focused specifically on penetrating the incentive travel market. However, significant growth shown in incentive travel in the U.S. and in Europe appear to offer strong market opportunity. Thus the incentive travel market seems to represent a significant source of new business opportunity for Alberta. The Alberta Rockies, particularly Banff and Lake Louise, are very well known and recognized as world class destinations in each of the markets researched for this study.

Competitors

In Canada, Alberta's primary competitors are Vancouver and Whistler. Toronto, Quebec City, and Montreal are also important destinations for groups from Southern California and Dallas. A new competitor which was identified because of behalf of corporate buyers. Often the incentive travel house will recommend a selection of destinations that are suitable for a corporation's particular incentive program. Therefore, it is important that these agencies, as well as the end buyer, are familiar with Alberta destinations. However, the final destination selection decision almost always rests with the end buyer.

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Competitors

In Canada, Alberta's primary competitors are Vancouver and Whistler. Toronto, Quebec City, and Montreal are also important destinations for groups from Southern California and Dallas. A new competitor which was identified because of its relative uniqueness to planners, coupled with promotional activities, is Halifax. Incentive planners in Seattle and Los Angeles had taken groups to this Nova Scotia city. Outside of Canada, Alberta is competing with recognized tourist destinations: Florida, Hawaii, California, the Caribbean, Europe and the Pacific Rim countries.

As with the other meeting types, Vancouver has succeeded through being aggressive in establishing a presence in the marketplace. This has resulted in significant growth which is continuing as promotions for Whistler establish a profile for that resort.

Incentive travel promotion by competing provinces and states is often focused on raising awareness. Promotions include direct contact with incentive travel buyers, gifts sent to promote the identity of the destination, participation in SITE (Society of Incentive Travel Executives) functions, and mail blitzes. As with other meetings market segments, mail promotion blitzes are assessed by the incentive travel buyers as the least successful strategy due to the volume of mail these buyers receive.

Strong follow up programs by suppliers characterize the overall competing strategies. These strategies are most successful when they are focused on both the incentive travel houses, travel agents specializing in incentive travel, and specifically, on the corporate meeting planners or executives who are the end purchaser of the incentive program.

All buyers of incentive travel interviewed in this research agree that awareness of the attractiveness of a destination among those to be motivated in the program is a very important factor. Therefore, those Canadian destinations which the general public considers attractive (that is British Columbia, Ontario, and Quebec) have a leading competitive opportunity.

Presently, Alberta's strengths in the incentive market are Banff-Lake Louise, both of which are known and recognized. Calgary is establishing a presence and was helped by the 1988 Winter Olympics. However, the city's profile is limited: incentive planners in Washington State and in New York found that a lack of information about the city resulted in other destinations receiving closer consideration and, ultimately, selection.

Factors Influencing Market Trends

Distance and cost factors will continue to be primary determinants in the selection of incentive destinations. In the global context, Eastern Europe can be considered to be a new player for the incentive market. However, it is the opinion of planners in Europe who are familiar with eastern European issues that the novelty of these destinations will not be long standing due to the lack of suitable infrastructure and levels of service.

Opportunities for Alberta are related to untapped markets, and changing demand within the incentive market place. Since 1980, the incentive market has been characterized by corporate group travel. While this is expected to continue, a growing number of incentive sponsors are using individual incentives whereby a single employee wins an incentive trip arranged by the employer. This means that suppliers must provide very high quality service to individuals and their companions. Mexico, for example, has lost popularity and market share by not providing the service standards sought by incentive buyers, despite being an accessible and cheap destination; Pacific Rim destinations are too costly and too distant for most incentive groups.

In the opinion of incentive travel and corporate meetings buyers in Europe and the U.S., the incentive travel market is expected to grow during the next decade. Destinations which are seen to offer the amenities demanded by incentive groups stand to benefit. The demand for the Alberta product appears to have strong potential with markets like Southern California offering an excellent, yet currently untapped, opportunity. Building Alberta's presence in markets of strong potential is the challenge which must be met by the province's tourism and hospitality industry, if Alberta is, indeed, to benefit further from the incentive travel market.

Alberta has an excellent opportunity in the incentive travel market. The province has the necessary infrastructure to cater to incentive groups from all parts of the world and has the ability to provide them with the standards of service these groups require. As a specialized market, incentive travel places very high demands on its hosts. There is reasonable potential in the global market for Alberta to become a significant North American destination.

Accessing incentive market players is also important. Site visits are very popular marketing tools, and planners are invited on perhaps 3 or 4 each month. Usually only one invitation is accepted. The one that is selected must be attractive, unique and special if it is to influence the planner's decision. Creativity in the design and organization of familiarization tours is becoming more important.

Incentive Travel Market Trends

Incentive travel is closely integrated as a part of the corporate meetings market in the opinion of many corporate meetings planners contacted in the research. The following trends are universally applicable to the global incentive travel market.

- *Motivation is a key aspect in doing business for the 1990's.*
  Corporations know that productively accessing markets and producing results is directly related to the willingness of their employees to sell the company. Travel acts as a motivator and so long as the destination offered in a travel incentive is motivating, corporations will consider many alternatives.

- *Resort destinations are always popular.*
  This is especially when they are all inclusive and offer a variety of recreation and leisure-time activities. As noted previously, the corporate market tends to see Alberta

as a resort destination encompassing the Canadian advantages of cleanliness, efficiency, beauty and urban amenities.

- *Incentive travel groups share similarities and differences with groups who attend association and corporate meetings.*
  In common with associations, incentive groups involve participation by spouses and seek destinations which offer activities, attractions and amenities which are of interest to participants and their companions.

- *Demand for quality.*
  The quality of product and destinations demanded are comparable to those of corporate groups, largely because incentive groups originate in the corporate environment, and also because planners for those groups have recognized that participants have themselves attained a high level of success in their work. It is very necessary, therefore, that suppliers at incentive destinations also recognize that their clients, the corporations, use incentives as a reward for success. Therefore, since incentives are offered each year to encourage high performance, the incentive destination must be of the highest quality to show the incentive participants that their work is appreciated by their employers.

- *The incentive travel marketplace is changing.*
  Simple group travel by corporations is changing to more complex structures for single companies, and greater participation by smaller companies. There is also a trend to specialized types of incentive products.

- *Individual and tiered incentives are becoming a more popular form of rewarding employees.*
  The popularity of these incentives with corporations is directly related to budgetary constraints felt within corporations and the subsequent need to reduce travel costs. Most purchasers of these programs are corporate meetings buyers who buy directly, or through incentive travel houses.

- *The individual incentive provides a travel award to the winning participant.*
  The award allows the recipient to select their own destination. This approach introduces a greater degree of flexibility to the recipient in terms of destination and timing, allowing recipients to coordinate their travel plans with that of their spouse and families. In this regard, additional opportunity may exist for Banff/Lake Louise

and Calgary, with new opportunities for Edmonton, Jasper and Kananaskis, due to lesser capacity constraints, individual interests, etc.

- *Tiered incentives involve smaller travel groups.*
  Such groups originate from within a company travelling to different destinations. In effect, this means that instead of sending one incentive group, a company sends more than one. The destinations for tiered groups are dependent upon the achievement of each group, and may be quite different. However, in response to budget considerations the selected destinations may be in relatively close proximity, for example, Vancouver and Victoria. Using neighbouring resorts or cities provides a company with an opportunity to fly the entire incentive group to a single destination before splitting the tiers for travel to final destinations. In Alberta, Jasper and Edmonton, and Banff-Calgary are logical pairings which might be packaged for tiered incentives. European contacts suggested that packages which combined Vancouver and Banff would be viable.

- *Specialized, small group incentives.*
  These have also been identified as being a developing component in the incentive market. Adventure incentives including outdoor activities such as white-water rafting, remote fishing, hiking, etc. appear to be growing in popularity. Similarly, ski incentives and, to a lesser degree golf incentives, are also gaining popularity.

Opportunities for Alberta in the Incentive Travel Market

Opportunities arising from each of the market trends noted above do exist for Alberta and, through effective marketing, should increase the value of incentive travel to the province. Incentive travel buyers in the Los Angeles, Pacific Northwest, Chicago, New York, and Western Europe all indicated very strong interest in the Alberta product. Interest was also identified in the Pacific Rim.

Market growth from the incentive segment will result from establishing a market profile for Alberta. Banff and Lake Louise are known in many parts of the world because of the efforts of C.P. Hotels. However, by comparison, Kananaskis, Jasper, Calgary and Edmonton, each of which offers CP Hotels properties, are less well known destinations which require marketing emphasis. Each of these destinations has potential in some aspect of the incentive market as described above and, for very specialized market segments, there may also be opportunities for northern Alberta.

Constraints and Barriers

Alberta's profile in the incentive market has been limited by a relative lack of consistent promotional initiatives directed towards key geographic markets, when compared to the activities of B.C., Quebec and Ontario. Raising awareness is a key to success in this market.

Product development and promotion is required to assist incentive buyers in determining whether Alberta can meet incentive demand. Travel packages aimed specifically at the incentive market and which combine adventure with the business component - for example, overnight camping by horseback with the meeting held around the campfire - are tools to which incentive buyers respond.

7.0 CONSUMER AND TRADE SHOWS

A trade show is an exhibition of products and services which is primarily open to invited participants, but closed to the general public. By contrast, a consumer show is an exhibition which is open to the public and invitations are not normally required *(Alberta Tourism)*.

A 1988 survey conducted by the Canadian Association of Exposition Managers found that Alberta hosted 12% of all trade or consumer shows held in Canada. Ontario ranked first (24%), Quebec second (19%) and B.C. third (13%). Respondents to this survey indicated that total revenues generated by these shows were $58.7 million.

Consumer Shows: Market Characteristics

Data from Alberta's convention centres indicates that consumer shows in Alberta attract an average of 7,000 attendees each. Between 1988 and 1989, it is estimated that the number of consumer shows increased by 15% *(Edmonton and Calgary Convention Centre Statistics, 1989)*.

Consumer shows are locally or regionally focused. Demand is usually derived from within the province with some out-of-province interest and attendance from Saskatchewan. Reports from Alberta's major consumer show hosts indicate that most shows originate from Ontario or southern B.C.

The role of marketing to attract consumer shows lies with potential show hosts, with Edmonton Northlands, Calgary Stampede Association, and the Convention Centres being the primary hosts.

A tourism development role for government with respect to consumer shows is not seen to be essential, particularly since most shows originate in Canada and, in Alberta, most consumer shows attract only local attendees and therefore economic impact at the provincial level are limited. However, U.S. and international potential may be effectively assisted through the provision of protocol services to serve international visitors, and by meetings market promoters remaining aware of Alberta's desire to develop or attract shows to the province. Government's role with respect to customs and immigration regulations may further encourage international exhibitors and shows to come to Alberta. Particularly important in this regard has been the relaxation of customs tariffs and rates which have eased the bureaucracy required for show goods entering Canada.

Consumer shows occur largely as a result of consumer demand. This presents a comparative difficulty in Alberta since local populations are substantially less than those in Southern Ontario or Southern B.C. This difficulty becomes exacerbated when the show requires a city location to draw from a significant population base. Such shows are usually of a scale that only Toronto, Vancouver, or Montreal can accommodate. As a result, the shows which may be accommodated in Alberta are those which are smaller in size and which reflect the consumer demand characteristics of the province's population.

Consumer Shows: Market Trends and Opportunities

The existence of consumer shows is very much driven by demand, thereby requiring show locations to have a substantial metropolitan population base from which to draw. Key demand issues which are becoming evident in the consumer show market reflect logistical and social characteristics:

- Access, transportation and accommodation are very important to exhibitors to ensure efficiency in setting up the show and in attracting attendees from as far as possible.

- Lifestyle-oriented shows are also becoming more popular as the population structure changes. These types of shows are becoming information exchanges rather than sales driven markets.

Lifestyle shows are expected to be a growing component of the consumer show market, with emphasis on personal technology such as computers and electronics. These types of shows may receive emphasis by independent show producers who plan and design a show, develop it to the point that it is proven successful, and sell it to trade show managers at facilities across the country and abroad. One strategy which has been successfully implemented in B.C. is the development of new shows by B.C. Pavilion Corporation successful staging for two consecutive years, and then selling the show to hosts in other locations. This innovative strategy has apparently served as a valuable source of income for B.C. Pavilion.

However, show initiation is very expensive (operating losses of $100,000 to $200,000 could be experienced in the first year) and facility operations prefer to identify other promoters to initiate these shows (discussion with consumer show managers). It should be noted that consumer show operations in other geographic areas are often reluctant to expand into new market areas like Alberta due to the high risk resulting from volatile demand.

Growth in the consumer show market requires a marketing commitment from those industry players who derive benefits from this source. Efforts must be directed towards those groups and organizations (often associations) which are demonstrating a propensity to stage consumer shows as part of regional or national conferences, and to those groups for whom the Alberta consumer is a viable market.

There is some concern that Alberta lacks sufficient exhibit space to accommodate some of the larger shows which might otherwise locate in the province. To offset this Red Deer has added to its space inventory, for example, with its Centrium project, to make it more competitive with Edmonton and Calgary, and these cities may need to do the same to improve their competitive position relative to Vancouver, Toronto, and Montreal. Nonetheless, Alberta's meetings industry has confidence in the quality of existing facilities available for consumer shows and that additional business could be attracted.

Trade Shows: Market Characteristics

By their nature, trade shows offer Alberta an opportunity to be involved in an international marketplace. The key determinant to where a trade show is held is often the state of the regional economy. Attendees are largely drawn from regional or provincial markets although exhibitors can be attracted from different countries. Annual trade shows held only in Canada follow an east-west cycle, whereas those which are held in the U.S. and Canada may also have a north-south cycle. Such cycles naturally limit the chances of a given show being held in Alberta, although the opportunity does exist to attract those shows that come west in these rotations.

The past emphasis of trade show hosts in Alberta has been on those shows which follow the east-west cycle. These are considered to be easier to attract (there are no border crossings involved) with many being part of association conventions, which are subject to a requirement for alternate east and west destinations. The challenge for Alberta facility operators is to attract the initiation of new shows or those that are not normally staged in Western Canada.

A developing opportunity in the trade show market may be associated with the North West North American region consisting of Pacific North West states, B.C. and Alberta. This economic bloc presents a region with many similar economic ties from which trade shows may be established, particularly as goods and services begin to flow more freely within the region.

Initiatives aimed at attracting international trade shows have been undertaken by Alberta's trade show sector but with limited success. A part of this limitation has been the tremendous amount of work required for exhibitors to pass through customs and immigration. More specifically, however, international shows usually require much more exhibit space than either Edmonton or Calgary can provide, resulting in these shows going to Toronto, Montreal, or Vancouver.

Trade Shows: Market Trends and Opportunities

Trade shows are primarily related to the economic base characteristics of the community in which they are staged. In Alberta, this means renewable and non-renewable natural resources, tourism, health sciences and high technology. A principal concern for any trade show organizer is the availability of space for required exhibits. Space limitations have proven to be a constraint for Alberta in the past.

Increasing specialization within broadly defined economic sectors such as health science, high technology, tourism, etc. is occurring. This is resulting in the scaling down of previously large shows into smaller but more frequently occurring events. Moreover, an increase in the number of trade shows may be anticipated as more associations use this vehicle as a revenue generating tool at their conferences.

The Goods and Services Tax, coupled with an economic downturn in central Canada is expected by some industry representatives to reduce the total number of annual trade shows over the short term given that most trade shows originate in this part of the country. However, with the Alberta economy forecast to remain relatively stable trade show opportunities may arise from specialized markets. Scientific, environmental, and educational trade shows, for example, may offer potential for Alberta's trade show hosts to capitalize on emerging industries.

A key component of Alberta's potential for future success in the trade show market is an increase in awareness about the facilities that the province has to offer. The inclusion of financial incentives to attract trade show operators has also been effective, where economic benefits for the host community are sufficiently large. Promoting Alberta facilities and qualified buying markets to trade show organizers who are identified as having their own market potential in Alberta, as well as marketing the inexpensive nature of staging trade shows in Alberta relative to Toronto or Vancouver, provides the province with an opportunity to increase its share of this market.

8.0 SUMMARY AND OVERALL CONCLUSIONS

The summary research findings demonstrate that there is scope for Alberta Tourism, along with the province's meetings market industry, to act to stimulate measurable growth in Alberta's market share in this expanding industry.

The research indicates the absolute importance of planning and implementing a consistent, logical, and clearly identifiable team approach to market development. This message was conveyed clearly by industry experts throughout the market opportunity areas, and was quoted as a reason that some competing destinations are successful in attracting meetings business.

The opportunity for Alberta to increase the value of meetings business requires a clearly defined market position which best meets the needs of the market. This may mean developing shoulder season products, marketing to precise market groups (niche marketing) within broader meetings markets, but above all Alberta needs to raise awareness of its product, particularly outside of Canada.

In addition, new market development is identified as a key element. It must be noted, however, that the existing markets in which Alberta participants are active present the strongest opportunity for growth. The new market development role should be to carry the initial investments of time and money that are required for successful market penetration by industry partners whose emphasis, it is suggested, should be on sales-oriented activities. In the North American environment, a concerted provincial team approach will result in the fastest penetration into new markets. As markets are accessed and developed by Alberta Tourism, the opportunity will develop for individual players (i.e. bureaus, facilities) to begin to assume active lead roles. As this occurs, the role of Alberta Tourism should be characterized as one of support to the active participant.

Table 8.1 presents a summary of meetings market opportunities for Alberta in each market segment by geographic region. The priorities shown for each market segment/region combination are derived directly from the research findings and are intended to assist in market planning for Alberta Tourism and Alberta's meetings industry stakeholders.

Table 8.1
Summary of Priority Meetings Market Opportunities

Point of Origin	*Meeting Type:* Association	Corporate	Incentive	Consumer/Trade
Alberta	3	2	3	1
Canada	1	2	2	1
U.S.:				
New York	2	1	1	3
Washington D.C.	1	3	3	3
Georgia & South East	3	1	2	3
Chicago	1	1	1	3
Mid-West/Texas	3	2	2	3
Pacific Northwest	2	2	1	3
Los Angeles	3	1	1	3
Europe:				
United Kingdom	1	2	1	3
Germany	1	2	1	3
France	1	2	1	3
Pacific Rim	3	3	1	3

1 = Immediate Priority 2 = Moderate Priority 3 = Low Priority

Overall Conclusions

The strategy of establishing representation for Alberta in key U.S. markets, as well as Geneva, has resulted in business meetings coming to the province which might otherwise have gone elsewhere. The success results from the marketing efforts and sales ability of Alberta Tourism and its partners in the Alberta meetings market industry, coupled with steadily improving meetings infrastructure in the province.

There is enormous development potential. The potential is clearly constrained by some practical and logistical issues, such as constraints in air lift and air fares into Alberta, congestion and unavailability of space during peak times at major tourism destinations, and the size and capacity of Alberta's meetings infrastructure. However, market perceptions of Alberta and lack of awareness are the two key constraints that limit Alberta's ability to capture increased volumes of meetings market sales.

In practical terms, Alberta has capacity to accept additional meetings market volume at most times of the year and at most meetings destinations in the province. Often meetings are not planned to take place at peak leisure travel demand periods. In fact, incentive travel is often focused on shoulder seasons, and there is evidence that some winter season incentives may be able to be developed; corporate meetings and association meetings take place year round but, within the large U.S. and Canadian markets are now being planned to take place over weekends to reduce travel and accommodation costs. These factors lead to opportunities for lberta.

Air access, acknowledged to be an important determinant in meetings site selection, may be becoming a less powerful competing issue in the U.S. marketplace due to the proliferation of the hub/spoke route planning systems. Meeting planners are having to accommodate the resulting constraints, which appear to affect some competing destinations worse than they affect Alberta.

In addition to a continued focus on current primary markets (i.e. Washington, Chicago and New York), opportunities for market expansion by Alberta exist in several geographic areas. Alberta has advantages in many marketplaces, the effective promotion of which will result in increased meetings market business for Alberta. The opportunity for Alberta to develop existing and new markets is currently constrained by the availability of the human and financial resources necessary and, without additional resources, meetings market initiatives will themselves be constrained.

GLOSSARY

Corporate Meeting - A meeting sponsored by a corporation and held in a commercial facility away from the company's offices.

Association Meeting - A meeting organized on behalf of an association and held away from the association's offices.

Trade Show - A show where attendees will primarily be invited participants (i.e. the intent of the organizer is to have a closed show).

Consumer Show - A show where attendees will primarily not be invited participants (i.e. the intent of the organizer is to have an open show).

Convention - An association meeting open to all members of the association and normally required by the articles of association to be held on a regular basis (often annually).

Seminar - A meeting for educational purposes

Exposition - A trade show, often held in conjunction with a meeting, to display goods or services of interest to the members of an association.

Note: Where two of the event types are combined, such as an Association Meeting and Trade Show, the event will be classified according to its dominant activity.

Incentive Travel - A management tool used by companies to motivate successful sales people and other employees to work more effectively by offering rewards in the form of travel.

Group Incentive: involves a group of people from the same company.

Tiered Incentive: an award consisting of at least 2 parts, one of which is awarded to all winners, the second of which is an additional award to a distinct group of all winners.

Individual Incentive: awarded to selected individuals rather than a group.

Planner - The event sponsor, host or organizer, including local contact person and support personnel.

Exhibitor - The company or individual with a booth to display goods or services at conventions, meetings or shows.

Attendees - All other participants, including registered delegates, speakers, spouses and other family members, and visitors to shows.

Market Segment - Market segmentation is the subdividing of a market into distinct subsets of customers, where any subset may conceivably be selected as a market target to be reached with a distinct marketing mix. Market segments are commonly identified on the basis of geographic, demographic or psychographic variables.

APPENDIX A:
BIBLIOGRAPHY

BIBLIOGRAPHY

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APPENDIX B:
CONTACT SUMMARY

PERSONAL AND TELEPHONE INTERVIEWS COMPLETED

			# of Interviews
General Information			
21	-	Convention & Visitors Bureau in Alberta, elsewhere	23
22	-	Alberta Tourism/Tourism Canada/Other provinces	40
23	-	Industry experts with broad knowledge	13
Suppliers			
31	-	Convention centres	25
32	-	Hotels	57
33	-	Airlines	17
34	-	Meeting coordinators	30
Buyers			
43	-	Corporate and incentive meeting planners	23
44	-	Association executives	40
Industry Experts			
51	-	Industry organizations (site, ASAE, etc.)	8
52	-	Incentive travel houses	14
53	-	Publications editors	7
TOTAL COMPLETED Personal and Telephone Interviews and Discussion Groups			297

Geographic Distribution:

1	-	Alberta	102
2	-	Other Canada	45
3	-	U.S.A.	101
4	-	Europe & Pacific Rim	49
TOTAL			297

Interview Distribution:

Number of Personal Interviews	179
Number of Discussion Group Participants	32
Number of Telephone Interviews	86
TOTAL	297

APPENDIX C:
INTERVIEW GUIDES AND FOCUS GROUP MATERIALS

INTERVIEW GUIDELINES

GENERAL MARKET ISSUES

Market parameters, conditions:

	CS.	TS.	AM.	CM.	IT.
Alberta					
Canada					
U.S.					
Pacific Rim					
Europe					

Key players:

Alberta's role and competitiveness:
- roles of Alberta participants

Trends/changes:

Alberta's strengths and weaknesses:

Barriers and constraints:

Training seasonality:

Opportunity areas:
- type/origin
- timing

What action in/by Alberta could improve Alberta's market share?

Who should we talk to to gain further understanding? Who should we meet with?

SUPPLY ISSUES

Source of numbers regarding supply inventory, capacity, sales?

Constraints due to supply:
- lift, number of rooms, size of facilities, availability, willingness
- shortfalls

Roles of suppliers, interaction, interaction with other promoters:

Changes, trends in supply in and outside Alberta:
- type and rate of change, locations, reason for change
- market trends

Competitive issues in supply:

What can be done to make Alberta more attractive from the perspective of supply capability? By whom?

DEMAND ISSUES

Market examination:

	CS.	TS.	AM.	CM.	IT.
Alberta					
Canada					
U.S.					
Pacific Rim					
Europe					

Targets for Alberta:

Changes in demand; trends:
- short-term
- medium-term
- long-term

Effects of economic and other influences:

Marketing activities and competition (who else, what are they doing?):

	CS.	TS.	AM.	CM.	IT.
Alberta					
Canada					
U.S.					
Pacific Rim					
Europe					

Relative success of Alberta:
- what causes it?
- market share (how much? why?)
- what do others do to compete?
- what are Alberta selling features?

Selection criteria:

- Consumer shows
- Trade shows
- Association mtgs.
- Corporate meetings
- Incentive travel

How does Alberta fare?

Market characteristics:

- timing/type
- visitors
- expenditures
- etc.

	CS.	TS.	AM.	CM.	IT.
Alberta					
Canada					
U.S.					
Pacific Rim					
Europe					

Impact of shortfall of supply:

What action can be taken to improve Alberta success in the marketplace? By whom?

INTERVIEW GUIDELINES FOR PERSONAL INTERVIEWS

1. Overview of Project
2. Review Respondents' Role and Marketplace by Geographic Region:

   - Alberta
   - Canada
   - U.S.
   - Pacific Rim
   - Europe

   and Event Type:

   - Consumer show
   - Trade show
   - Corporate meeting
   - Association meeting
   - Incentive travel.

SUPPLY ISSUES

Key Players

- Who are they (eg. government, industry, joint, etc.)
- Who does what and where
- Effectiveness of current/past activities
- Respondents' own activities

Competition

- Major competitors by event type and geographic region

Constraints/Barriers

- Lift and access
- Room capacity
- Facility capacity and availability
- Negative perceptions in marketplace

Strengths

- What Alberta offers
- Market demands and responsiveness to marketing initiatives
- Opportunity areas by geographic origin and event type

Trends

- Reasons for opportunity areas
- Trends affecting competitors - are they expanding quicker than Alberta
- Other influences on demand which Alberta how now, lacks or is planning

Market Share

- Strategies/actions to develop market share

MARKET DEMAND ISSUES

*Address as per geographic and event type.

Knowledge of Alberta

- What do they know of Alberta

Site Selection

- What are planners looking for?
  - types of facility
  - accommodation
  - pre- and post-event activity
  - accessibility
  - cost factors/"Bang for Buck"

Trends

- Short, medium, long term trends
- Changes in demand

Competition

- Where is respondent going, ie. meeting site criteria
- What attracts them to these places
- What other places were considered and why were they not selected

Marketing

- What does respondent respond to
- How is best access to him/her made

Timing

- Seasonal characteristics of meetings
- Any other determinants (eg. low season rates)
- Length of events

Clientele/Attendees

- Single or families
- Length of stay
- Activities around event

Opportunities

- Where planning to go in future
- Reasons
- Perceptions/perspectives on Alberta.

FOCUS GROUP/ROUNDTABLE DISCUSSION SESSIONS

MODERATOR'S GUIDE

1. **Introductions**

   - Moderator; Manecon Partnership (and Alberta Tourism, if applicable).
   - Group participants
     - name
     - affiliation

2. **Purpose of Session (Moderator)**

   - Overview of study - objectives
   - Research approach
   - Objectives of today's session
     - focus to be on various types of meetings (conventions, trade shows, etc., organized by participants)
   - Today's process:
     - open discussion guided by moderator
     - approximately 1 hour

3. **Planners' Needs**

   - Facility criteria
   - Accessibility for delegates, etc. (air links, lift volumes, etc.)
   - Cost criteria and influence on sight selection
   - Importance of a location's activities, attractions, etc. for pre- and post-event time.

4. Competitive Issues

- Preferred destinations - specific cities/regions
- Reasons for selecting these and not others
- Relationships of these decisions to different types of meetings, size and scale.

5. Volumes

- Dollar value of 1989/90 business relative to past 5 years
- Number of tours they are organizing and for whom (whole organization, segments of organization)

6. Trends

- What changes, if any have occurred during the last decade with respect to:
    - needs factor
    - competition factors
    - business volumes
        a) generally
        b) to Alberta
- Why and how have these changes come about - what have been the driving forces?
- What does the future hold?
    - how are meeting going to be planned in the next decade - short, medium, long term;
    - what types of facilities, services, etc. will be required?
    - what types of sites will be selected? (eg. retreats/resorts, etc.)
        - are they going to differ from those used in past decade?
- What is required by planners to
    a) consider new sites
    b) direct their organizations/clients to them

- What are planners' informational needs?
    - specific information (eg. number of rooms per hotel, number of restaurants in hotel and capacity, etc.)
    - how do they prefer to receive information and in what format

7. **Summary of Discussion and Session Conclusion**

MEETINGS MARKET
ROUND TABLE DISCUSSION SESSION
SUMMARY SHEET

Please complete this summary at the end of today's session and return it to the moderator.

Please rank the following items according to their importance in your process of selecting meetings sites (use 1 to indicate the item of most importance, 2 for the next most important and so on). If you would like to make any additional comments about any of the items, please do so in the space provided.

	Item	Rank	Comments
a.	Non-stop air links	___	__________
b.	Variety of airlines from which to select	___	__________
c.	Frequency of air service to destination	___	__________
d.	All-suite hotels	___	__________
e.	Total room capacity at destination city	___	__________
f.	Room capacity at each hotel at destination	___	__________
g.	Hotel facilities:		
	number and capacity of restaurants	___	__________
	amenities in room	___	__________
	hotel recreation/entertainment facilities	___	__________
h.	Access to local tourist attractions and points of interest	___	__________
i.	Pre- and post-event opportunities		
	i) for event delegates	___	__________
	ii) for spouses and children accompanying event delegates	___	__________
j.	Quality of meeting space	___	__________
k.	Proximity of meeting space to accommodations	___	__________
l.	Hotel-convention centre multi-purpose facilities	___	__________
o	Other recreation opportunities		
	i) golf	___	__________
	ii) tennis	___	__________
o	Weather	___	__________
o	Safety	___	__________

APPENDIX D:
DATA COLLECTION SHEET FOR ALBERTA SUPPLIERS

MEETINGS MARKET STUDY INFORMATION PACKAGE

A. 1989 DATA TABLE

Please complete the attached table with the relevant figures for 1989. The following notes are to explain how your figures should be reported:

Total Delegate Attendance - For the events staged at facilities, please indicate the total number of delegates (excluding any exhibitors) who registered to attend the events.

Approximate Duration (Days) - How many days, on average, were the events within each of the event categories; for example, are trade shows typically 5 days, or are they longer or shorter?

Origin(s) of Client - Where did the event sponsor come from. Please check the origin shown on the table and, if more than one event in the same category came from the same origin, record the number: e.g. if you host 3 corporate meetings on behalf of Alberta businesses, record '3' in the corporate meetings column next to Alberta.

The Definitions of Event Categories are as follows:

Corporate Meeting: A meeting sponsored by a corporation and held in a commercial facility away from the company's offices;

Association Meeting: A meeting organized on behalf of an association and held away from the association's offices;

Trade Show: A show where attendees will primarily be invited participants, (ie. the intent of the organizer is to have a closed show);

Consumer Show: A show where attendees will primarily not be invited participants, (ie. the intent of the organizer is to have an open show);

Note: Where two of the event types are combined, such as an Association Meeting and Trade Show, the event will be classified according to its dominant activity.

Incentive Travel: A management tool used by companies to motivate successful sales people and other employees to work more effectively by offering rewards in the form of travel.

EVENT CATEGORY

	Association Meetings	Corporate Meetings	Meetings <10 Room Nights	Trade Shows	Consumer Shows	Incentive Travel
Total number of events	___	___	___	___	___	___
Total delegate attendance	___	___	___	___	___	___
- Your City/Town	___	___	___	___	___	___
- Other Alberta	___	___	___	___	___	___
- Canada West (BC, Sask., Man.)	___	___	___	___	___	___
- Canada East (Ont., Que., Atlantic Prov.)	___	___	___	___	___	___
- United States	___	___	___	___	___	___
- International						
Europe	___	___	___	___	___	___
Pacific Rim	___	___	___	___	___	___
Approximate duration (days)	___	___	___	___	___	___
Origin(s) of Event Sponsor: (Please specify number of sponsors from each of the following.)						
- Your City/Town	___	___	___	___	___	___
- Other Alberta	___	___	___	___	___	___
- Canada West (BC, Sask., Man.)	___	___	___	___	___	___
- Canada East (Ont., Que., Atlantic Prov.)	___	___	___	___	___	___
- United States	___	___	___	___	___	___
- International:						
Europe	___	___	___	___	___	___
Pacific Rim	___	___	___	___	___	___

For the delegate attendance and event sponsor origin(s), please indicate any American state(s) or region(s) from which you have noticed significant representation or repeated business to your facility:

Delegate Attendance: ______________________________

Event Sponsor Origin(s): ______________________________

B.

Does the data for 1989 represent the business volumes and characteristics you experienced for the different event categories for 1987 and 1988? __ Yes __ No

(If No) Please describe the differences by addressing:

a) Event categories where number of events have increased or decreased;
b) Event categories where numbers of attendees have increased or decreased;
c) Changes in origins of your clients (eg. more or less business from locations noted on table);
d) Changes to the capacity of your facilities to hold different types of meetings, and associated changes in demand for your facilities.

C.

Please describe the trends you are identifying from the business derived from the meetings market. Are particular types of meetings becoming more or less popular? Are there any changes in the types of sponsors, or their demands for facilities, activities and so on.

Are those trends short-term, long-term or medium-term?